



THE INDEPENDENT

No 3242

WEDNESDAY 12 MARCH 1997

WEATHER: Dry and sunny, some showers

(IR45p) 40p

THE TABLOID

Bridget Jones offers sexual healing



THE TABLOID

Peter Hall: my debut at the Old Vic



COMMENT

The girls in the band

PAGE 17



Touching ceremony: The musician Sir Paul McCartney reaching out to fans from his car as he was driven away from Buckingham Palace after being knighted yesterday. Elevated to holy orders, page 2

Photograph: Jeff Moore

The Ministry of Incompetence

500 BSE-riddled cows fester underground while officials dither

Charles Arthur
Science Editor

Buried cows tell no tales. Which is a pity, because there are 500 of them buried under this landfill site, near Burnley in Lancashire. If only dead BSE-infected cows could talk, they might explain what has been going on at the tip for the past seven years. Have they been polluting the water? Could infective bovine spongiform encephalopathy prions have been passed to people or animals in the area? Certainly, a dead cow could not do worse job of explaining it than the humans who are supposed to know did yesterday. In the world of BSE, trying to find out any fresh fact is a slow, circular process that usually ends in frustration. And at the centre you always find the Ministry of Agriculture, Fisheries and Food (MAFF). A year of the beef crisis, and its links with 13 human deaths, have not changed that.

In 1990 a local paper, the *Burnley Express*, revealed that BSE-infected cattle were being buried at the Rowley site. Councillors were horrified. Action was demanded. None was taken. The cows rotted.

But although the heads of the cattle had been removed before burial, the spinal cords and spleen remained.

That, in turn meant that the prions, the infective agent, might leach into the water supply via the rivers, and from there into the water supply. BSE-infected carcasses have not been buried since 1991, when government scientists suddenly woke up to the infection risk.

But before that, 6,117 cattle were buried. Yesterday morning, I asked the MAFF press office if it could confirm that there were BSE carcasses at the Rowley tip. "That information isn't held centrally," the spokeswoman said.

I called Burnley District Council. Did the environmental health officers know anything about the "possible leaching from the site"? "I think that tip is handled by Lancashire County Council," the man said.

I called Lancashire County Council. The environmental health team was not sure if there were BSE carcasses in the tip. I should speak to the council's regional veterinary manager. So, did he know if there were BSE carcasses at the tip? He pondered briefly.

"In the early days of the BSE epidemic the procedure wasn't so refined," he said. "But the carcasses were licensed to go to specific destinations. So yes, there would be records of movements. I think MAFF would know that. Have you tried their offices in Tolworth? ... Ask for the BSE section."



Hidden secrets: The landfill site near Burnley where BSE-infected cows are buried. Photograph: John Voos

Scenting progress, I called the MAFF offices in Tolworth and asked for the BSE section. "Ah," they said. "Have you spoken to the press office?" Yes, I had. "I'll get right back," said the spokeswoman. That was two hours ago. And I still do not know what the cattle buried 10 foot down in a landfill in Lancashire have been doing for seven years. Maybe MAFF does. But if so, it is as silent about it, as silent as a headless cow.

The Meat Hygiene Service was set up in controversial circumstances nearly two years ago as an agency under the auspices of MAFF to replace the meat inspection service of local authorities. At the time, the Institution of Environmental Health Officers said the change was less accountable to consumers.

Ann Foster of the Scottish Consumers Council, one of only two independent members of the Meat

Hygiene Service board, said she had raised concerns with the chairman of the board about issues such as dirty cattle last November. She said: "There isn't any definition of what constitutes dirty cattle. If they just have one patch of faeces, should they be rejected?" Mrs Foster said that the MHS had planned to send photographs of dirty cattle to all vets but she did not know if this had been done.

Inspectors warned of potential timebomb

Anthony Bevins
and Christian Wolmar

A warning that there was a "potential timebomb" of declining standards in Britain's abattoirs brought an angry reaction from ministers yesterday, with John Major and colleagues closing ranks to attack the messenger.

The front-line warning was delivered in leaked correspondence from the Association of Meat Inspectors to Angela Browning, Minister of State for Agriculture, and the official Meat Hygiene Service.

Just weeks before the Prime Minister assured the Commons that action had been taken to clean up the slaughterhouses, Mrs Browning was told by the AMI: "Our levels of enforcement in hygiene at present leave much to be desired."

"Present legislation is adequate to improve hygiene, but the will to enforce is sadly lacking. Faecal con-

tamination, which can lead to E.coli, needs to be far more rigorously controlled - without delay."

John Prescott, Labour's deputy leader, said: "That's very serious, in view of the fact that Mr Hogg in the House last week was making it absolutely clear that standards were good and improving and the Meat Hygiene Service was on top of the job."

"This correspondence from the inspectors makes it clear not only that that is not so, but that ministers knew that weeks ago."

When Tony Blair, in Prime Minister's Questions, called for an inquiry, Mr Blair said the letters showed that contrary to what the House had been told, contamination was getting worse, not better.

While that demand was accepted by Mr Major, in exchanges marked by their unusually constructive nature, he pointed out the inspectors' responsibilities for enforcement.

$$\left(a + \frac{1}{N}\right) \left(1 - \frac{1}{9(N+1)} + Z \sqrt{\frac{1}{9(N+1)}}\right) = \text{a false alarm}$$

Ian Burrell

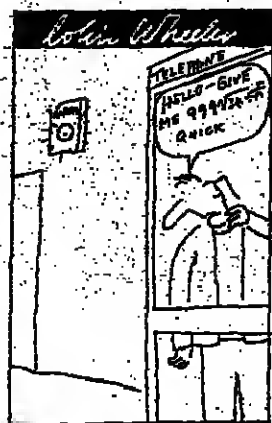
Once upon a time the jangling sound of a burglar alarm would have precipitated the plodding arrival of a beat bobby. Now it is the subject of a mathematical investigation of Pythagorean proportions.

Angered by the enormous waste of resources caused by 1 million false alarm calls a year, the Association of Chief Police Officers has turned to the services of a statistician to identify inefficient alarm installers.

The fiendishly complicated piece of algebra he has devised (shown above) is said to be virtually infallible and could revolutionise British policing.

By entering the number of false alarms into the equation, police believe they can nab rogue installers. But the proposal has triggered a Klaxon of disapproval from the burglar alarm industry.

Almost all false alarms are caused by users, who can already be blacklisted under the police's "four strikes and you're out" rule. Yet if an installer has



an unusually high number of false signals, police say they will refuse to work with the firm. Nigel Craig, of Eurotech Security Systems in north London, complained to the *Met* after receiving an explanation of the formula. "I have not got the foggiest as to what you are talking about. I can only assume either some people have nothing better to do or this is part of a conspiracy to improve the income of my psychiatrist."

QUICKLY

Aids doctor struck off
The doctor at the centre of an AIDS scare was yesterday struck off the medical register following his admission that he did not have an HIV test for eight months after an ex-lover warned he was at risk. Page 5

FO Albania warning
All British nationals in Albania were urged to leave by the Foreign Office yesterday, as the rebel forces spread to the north of the country. Between 80 and 100 Britons are thought to be working in northern Albania. Page 12

Jails full to the brim
Prisons in England and Wales are "full to the brim and can accept no more", the Prison Governors' Association told the Home Office yesterday. It also emerged that the Prison Service accepts that it will almost certainly have to use expensive police cells in the next two to three weeks. Page 8

Bookies' bonanza
Thousands descended on Cheltenham yesterday, for the start of the annual National Hunt Festival. With unseasonably warm weather, bookies were set for a bonanza. Page 3

Sport, pages 26 & 28

Bundesbank admits EMU fudge possible

Imre Karacs
Bonn
Yvette Cooper
London

Senior officials of Germany's central bank insisted yesterday that European Monetary Union should go ahead on time, even if it meant watering down the criteria for membership.

The comments came as speculation reaches fever pitch in financial markets and official circles that monetary union will have to be postponed. A delay would delight British opponents of the single currency, but would severely dent the European Union's credibility.

In an attempt to quell the speculation, three members of the council which governs the Bundesbank spoke out at separate events on Monday night. They said that EMU must go ahead, even at the price of fudging the Maastricht criteria.

Their statements gave a new twist to the unfolding debate within Germany's ruling elite

over EMU. Until recently, the Bundesbank has been the voice of fiscal rectitude, urging strict adherence to the limits set by Maastricht. The treaty says that states must keep their budget deficit below 3 per cent of GDP if they are to enter a single currency. The alternative, the gnomes of Frankfurt argued, was chaos and instability for Europe's brand new bank note.

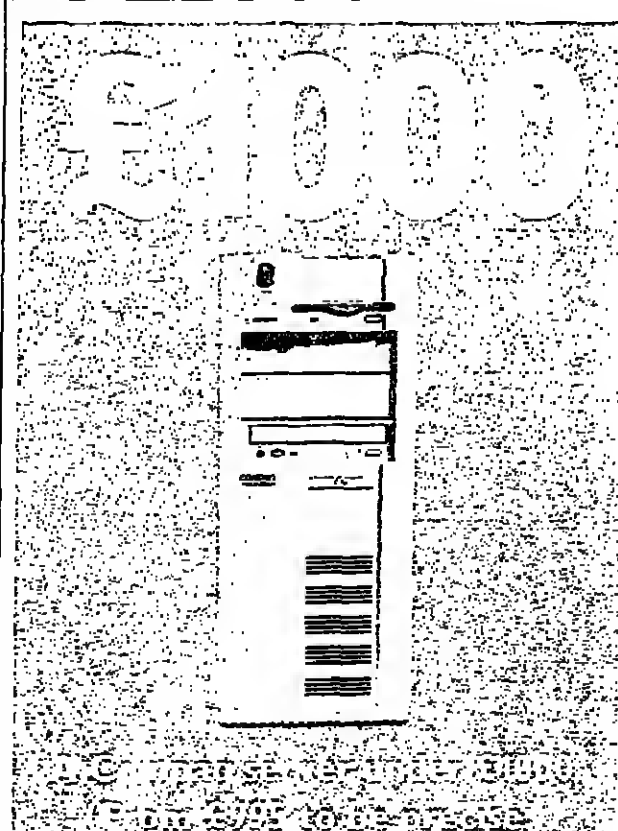
Now the same people are going soft on the euro. "The 3 per cent deficit criterion should not be a knock-out criterion," declared Ernst Welteke, a member of the Bundesbank's Central Council.

Mr Welteke and two of his colleagues said the alternative to moving the goalposts would be postponement. This prospect was too horrible to contemplate, as it would push up the deutschmark, pricing German goods out of export markets.

There are, none the less, influential figures in the establishment who have come around to the view that the advantages of a delay would outweigh the disadvantages. Rumours of a delay to the single currency have been circulating for several weeks. But yesterday's remarks did little to dissipate the confusion in the City. Martin Ely, of Bank of Tokyo-Mitsubishi, said: "We're not getting any clear message. Between the so-called wise men, finance ministers and politicians we're getting confused signals and the market's not sure which way to take it."

One theory for the Bundesbank's candour is that it has come under considerable pressure from the big German banks to calm speculation about delays. Speaking in London yesterday, Jürgen von Hagen, Director of the Bonn-based Centre for European Integration, said: "The Banks and financial industry in Germany are fiercely in favour of EMU going ahead on time."

Germany's debate, page 11



The new Compaq ProSignia 200 server range starts at an incredible £995 plus VAT. This is the first time that a Compaq server has ever been available for less than £1000. Yet, it is still a server range with all the performance and reliability features you would expect from Compaq, the No.1 in servers. Naturally, we wanted to tell you about it. Compaq ProSignia 200 servers have Intel Pentium® processors. For your brochure pack please phone:

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news

significant shorts

Roisin McAliskey bail application adjourned

An application for bail by Roisin McAliskey, who is suspected of being involved in IRA terrorist activities, was yesterday adjourned until Friday. Ms McAliskey, 25, the daughter of the former Ulster MP Bernadette Devlin, is being held in Holloway prison in north London as a Category A prisoner and has been warned that she may not be allowed to keep her baby when it is born in two months' time. Her continued detention has enraged human rights activists.

Ms McAliskey is being held pending extradition to Germany where she is wanted in connection with the attempted mortar attack on a British army base in Osnabruck last year. She denies any involvement and has not so far been charged.

Steve Boggan

Lee Clegg attacked by soldiers

Lee Clegg, the paratrooper who was released after serving four years for the murder of Belfast teenager Karen Reilly, was the victim of a serious assault by two other soldiers, it emerged yesterday.

Lance Corporal Clegg, who was convicted in 1993 of murdering the 18-year-old joyrider, suffered facial injuries and had a tooth knocked out in the attack at Catterick, North Yorkshire. His solicitor, Simon McKay, said: "He was the victim of a serious assault and has suffered facial injuries which required stitches. The incident, which happened as he was returning to his billet on Saturday night, is being investigated by military police."

Nicole Veash

One dead in 50-car fog pile-up

One person died and another 13 were seriously injured in a 50-car pile-up in dense fog yesterday, just 24 hours after the carnage on the M42 left three dead and 62 injured. This accident happened on the A19 near Crathorne in North Yorkshire. The first pile-up happened shortly before 8am as about 15 vehicles, including two lorries, slammed into the back of each other.

Moments later a second pile-up occurred on the northbound side as motorists slowed to look at the scene. Traffic police pointed to a section of drivers that did not heed the dangerous weather conditions and ended up travelling too fast and too close to one another.

Boyfriend loses share of lottery win



A lottery winner gained a legal victory yesterday to prevent her former boyfriend getting half her £1.3m fortune.

Lisa Lee, 30 (left) was sued by David Jones, 34, for a share of the windfall she won in April 1995. Two months after she collected her cheque from Camelot, the lottery organisers, the couple split up.

Mr Jones, who successfully applied for legal aid to pursue the case, claimed they had shared household finances during the 12-year relationship. He was left to survive on £64 a week social security money after the relationship ended. Cardiff County Court was told. But in her evidence Miss Lee insisted she bought the winning ticket with her own cash and never regarded him as her partner. Judge Hwel Moseley rejected Mr Jones's case and said he did not find his claims credible. He is to give a full judgment at a later date.

Evans snubs radio award ceremony

Chris Evans, the ex-Radio 1 DJ, snubbed a prestigious awards ceremony in London yesterday – because he was out drinking with fellow broadcaster Danny Baker and the footballer Paul Gascoigne. Evans, 30, was due to accept his trophy for Radio Personality of the Year at the Grosvenor House Hotel. But he went to the Groucho club in Soho instead. Evans, and former Radio 5 Live football host Baker turned up at the hotel with Gascoigne and several minders. They were photographed but then disappeared.

Eurostar train hits lorry on crossing

An investigation was ordered yesterday after a Eurostar high speed train bound for London hit a lorry at a level crossing 30 miles west of Brussels in Belgium. The Brussels-Waterloo train was carrying 107 passengers and 10 crew, but none of them nor the driver of the empty cattle lorry was injured.

Bungled jet repairs to cost firm £5m

Private repair contractors, who caused millions of pounds of damage to frontline RAF Tornado fighters, have agreed to pay £5m in compensation, it was announced yesterday.

The total cost of the damage, by civilian contractors Airwork, amounted to £20m and the centre fuselage sections of 16 Tornados had to be replaced.

people

Gin and Jag: Jennifer Ehle in C4's genteel murder mystery drama, *Melissa*, by Alan Bleasdale

Ripping yarn for Ehle, but not a bodice to be seen

Alan Bleasdale, writer of *GBH* and *Boys from the Blackstuff*, has turned from gritty social commentary to the gin and Jag set for Channel 4's big spring drama *Melissa*.

Jennifer Ehle, who played Elizabeth Bennet in the BBC1 production of *Pride and Prejudice*, stars in the title role of Bleasdale's first genteel murder mystery. The five-part serial, which starts in April, was updated from a 1960s script by the classic 'country house' thriller writer Francis Durnbridge.

Its tortuous plot involves a Boerian war correspondent played by Tim Dutton, last seen in *Rhodes*, who gets involved with Ehle's Pin woman and then a series of baffling crimes. Bleasdale described it as "a morality tale disguised as a detective story".

Other highlights of Channel 4's spring and summer season include a weekend devoted to the situation comedy and another week-long special of its soap *Brookside* – this time killing off some children to boost ratings just weeks after its new rival Channel 5 launches.

Guaranteed to attract the attention of the *Daily Mail*, which dubbed Channel 4's former chief executive

Michael Grade "Britain's Pornographer in Chief" is *The Investigator*. It is based on a true story and features Cardiff Arrest's Helen Baxendale as a military police investigator who seeks out lesbians and gays in the Army then starts to realise she is a lesbian herself.

Stuart Cosgrove, Channel 4's head of arts and entertainment, confirmed that he has signed Chris Evans, Radio 1's earnest disc jockey, to two unnamed series for the autumn in addition to his *ITV Friday* chat show. However, Mr Cosgrove regretted that he was unable to persuade Chris Morris, who's controversial *Grange* series ended last week, to produce an election special for the channel.

The Channel is bringing its innovations in late night "youth" programming to the daytime. *Light Lunch*, a live cookery and chat magazine programme with a comedy edge starts in March. Channel 4 has been reworking its afternoons and its success is starting to worry its advertising department. Because it is attracting large audiences in the daytime the channel is bringing down-market C1 and C2 viewers to a station that makes its money from ABC1 viewers.

Paul McCann

McCartney elevated to the holy orders

Sir Paul McCartney was knighted by the Queen at Buckingham Palace yesterday, attending the ceremony without his wife, Linda, who has been undergoing treatment for cancer, and has not now appeared in public for over a year.

Sir Paul is only the second pop star to receive a knighthood, Cliff Richard being the other, though George Martin, the Beatles record producer, was knighted last year.

The former Beatle, who says his erstwhile sparring partners George and Ringo now refer to him as "Your Holiness", arrived at the palace in a chauffeur-driven limousine accompanied by three of his children.

The Queen asked Sir Paul how his Liverpool Institute for Performing Arts was progressing. "I told her it was still going well," said Sir Paul. "I'm still heavily involved in music and I have a new album, called *Flaming Pie*, coming out in May."

The ex-Beatle, who allegedly smoked cannabis at the palace after receiving his MBE in 1985 with the other Beatles, said receiving his knighthood was one of the best days



Sir Paul at the palace yesterday

of his life. "It's just a huge honour. Coming from a small terraced house to this house is quite a journey."

He is now 54, but some fans, also getting older, still follow him across the country. Debbie Wakeford, 38, from London, arrived at the palace at 6am to get a glimpse of him. She said: "Paul deserves it for everything he's done. It's long overdue. But George and Ringo deserve it too. They bring happiness to a lot of people."

David Lister

Tax woman to head CSA

The controversial Child Support Agency has a new chief executive. Faith Boardman, the former chief executive of the Contributions Agency, takes up her post in a month.

Her appointment, made yesterday by the Secretary of State for Social Security, Peter Lilley, comes four months after the previous head of the agency, Ann Chant, resigned.

Like her predecessor, Mrs Boardman is a career civil servant. She will be paid around £90,000, including a performance bonus.

After graduating with a degree in history from Oxford she joined HM Customs and Excise. In April 1985, she was appointed chief executive of the Contributions Agency, which collects National Insurance contributions.

Ms Chant resigned last November. She was credited with saving the agency from collapse but faced constant difficulties after replacing Ros Hepplewhite in 1994 at the height of controversy over the CSA's performance.

Matthew Brace

briefing

DIET

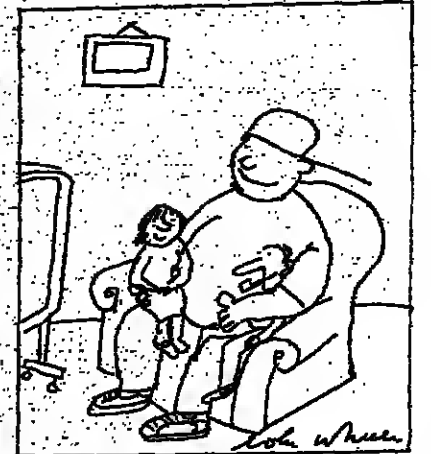
Obesity fears as children get fatter and taller

Children in England and Scotland are growing taller but also much fatter. The trend, confirming evidence from earlier studies, emerged from surveys conducted between 1972 and 1994 of 7,000 English and 3,500 Scottish schoolchildren aged five to 11.

As fears grow over the rise in obesity, the Department of Health said work was in progress to establish why.

The study by researchers at St Thomas's hospital in south London found that the height of Scottish children increased by an average of more than 2cms while English children grew by nearly 1.5cm. But the children had also become fatter.

The "skinfold thickness" showed a fat increase in all children which was most pronounced in Scotland. Nine-year-old Scottish boys grew 24 per cent fatter during while 10-year-old Scottish girls became 22 per cent fatter.



GPs

Scottish doctors in rush to quit

A Scotland-wide survey among family doctors has shown a crisis of morale among GPs which needs urgent attention, the Scottish Liberal Democrats said yesterday.

The survey showed a "massive level of unhappiness" with 51 per cent of doctors considering leaving medicine. It also revealed that 94 per cent were dissatisfied with the present two-tier GP system and more than one-third said they are not satisfied with their jobs. The Scottish Liberal Democrat survey claims this dissatisfaction comes in the main from an increase in bureaucracy caused by Government reforms. However, some 85 per cent would prefer to build on the current system rather than reorganise again.

EDUCATION

Care leavers suffer schooling gap

Almost half of children leaving care have no qualifications in their 20s compared with one in six of the general population, according to a report by Barnardo's.

A similar proportion of care leavers are unemployed and struggling to survive on benefits said Professor Mike Stein who carried out the study.

Those who went on schemes developed in the last decade to help care leavers were more likely to find good accommodation, managed their budgets better and were more likely to find work than those who did not. The charity is calling for more commitment and resources so that care leavers do not fall through the gaps in the support network.

What Works in Leaving Care? price £6.99 is from Barnardo's Child Care Publications, Barnardo's Trading Estate, Pyncooke Road, Basildon, Essex, SS14 3DR.

Glenda Cooper

HEALTH

Low-tar danger for smokers

Any health-conscious smokers who opt for low-tar cigarettes do not realise that they only remain low tar if they are smoked in a certain way, a report claims today. No Smoking Day.

Smokers are often unaware that the cigarettes have tiny vents in their filters which must not be blocked by fingers or lips, according to a report in *Tobacco Control*, a journal published by the British Medical Journal publishing group.

When the cigarettes are tested by machines, the filter ventilation dilutes the passage of tar and nicotine by as much as 90 per cent. But people do not smoke like machines and many accidentally block the vents. That can double the yield of harmful carcinogens, the report's authors, from Penn State University in the US, say. *Tobacco Control*, BMJ Publishing, BMA Public Affairs Division, 0171 383 6254.

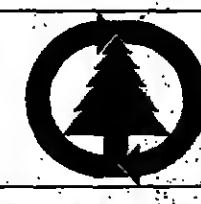
Anabel Ferriman

NATURE

More help for birds of prey

Protected birds of prey which upset pigeon fanciers and grouse shooters because of their hunting habits should not be killed for doing what comes naturally, a report says. Instead, it recommends measures to increase the numbers of wild birds on which some predators feed and more protection for pigeons and grouse.

With peregrines hunting pigeons and red grouse and hen harriers also taking grouse, pigeon fanciers and grouse shooters want their already low numbers reduced. But the report says pigeon fanciers overlooked that their birds can die from bad weather and exhaustion. It acknowledged that grouse numbers are declining but attributes this to "the loss, fragmentation and poor management of much of the heather moorland".



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Strong stomach for a day at the races

Clare Garner

It seemed half of London and more than half of Ireland descended on Cheltenham yesterday to soak up the spring sunshine at what has been dubbed the races for real people.

Unlike Ascot, the three-day National Hunt Festival is, supposedly, a free-for-all affair. While it is possible to pay £345 for a seat in the new Panoramic Restaurant and £50 a head for access to the Club Enclosure, it costs just £10 to while away the day in the Courage Enclosure.

Bruce Carless, a chartered accountant listening to the brass band in the £20 Tattersalls enclosure, said: "We just want a good day out in the sunshine, to have a bet and a drink. You don't have to spend £50 to do that. It's the atmosphere we want."

The Irish had jetted into Britain in their droves, ready to consume gallons of Guinness. Some will be staying longer than expected. One such a "canny gambler", according to his friends, had seen his horse, Make a bid of luck he will have a little left over for Saturday. "We're going to have a big bash on the rugby international between Wales and England," he said. Londoners, armed with binoculars and hip flasks, had travelled on special trains. In a haze of smoke, men pored over *Sporting Life* and *Racing Post*. "Give us a winner then," said one as he showed his ticket to the inspector.



Racing uncertainty: For one spectator it was a little too much on the opening day of the Cheltenham National Hunt Festival, dubbed the races for real people

Photograph: David Ashdown

Pipe (the trainer) this morning," he said proudly. "I only came for the day, but I'll stay for the whole week now. That's about £12,000 - without friends, had seen his horse, Make a bid of luck he will have a little left over for Saturday. "We're going to have a big bash on the rugby international between Wales and England," he said. Londoners, armed with binoculars and hip flasks, had travelled on special trains. In a haze of smoke, men pored over *Sporting Life* and *Racing Post*. "Give us a winner then," said one as he showed his ticket to the inspector.

Some were being entertained by companies for the first time. They did not know what to expect. Peter Harthill, a caretaker, was prepared for the worst: "I've got a tie in my pocket, but I ain't put it on," he said. "I hate wearing ties."

Tony Mountenay had no such worries. He had paid his tenner and expected to be quids in at the end of the day. As manager of a fishmonger on Sloane Avenue, Chelsea, he was not short of inside information: "A lot of my customers own horses," he said, reaching for another cigarette. "Handy contacts I've got

at times - Peter O'Sullivan, Colonel Cook, Henry Cecil, Lester Piggott."

For Mr Mountenay, Cheltenham is the best day of the year. "When they called it the Festival, they meant it. Royal Ascot is very snobbish. People who don't go racing go there to be seen. Cheltenham's

unique ... Any horse that is, there. It's a party, that's what it is. One big party." But for all the talk of it being a "working men's race", some one must be drinking the 2,700 gallons of champagne and tucking in to the ton of salmon reportedly consumed over the three days.

Freak weather costs a fortune but saves lives

... and it's good for the orange frogs, too

Nicholas Schoon
Environment Correspondent

The freakishly hot year of 1995 cost the country hundreds of millions of pounds but prolonged tens of thousands of lives by reducing deaths in winter, a Government-funded study has concluded.

There were heavy costs for building insurers, the water industry and farming from the excess heat, but massive savings in fuel bills. Overall, the disadvantages appear to outweigh the advantages, said the scientists who carried out the study for John Gummer, the Secretary of State for the Environment.

The research, published yesterday, was intended to weigh up the impacts of 1995's strange weather and consider how permanent man-made global warming may be affecting the country.

Summer that year was the warmest and driest on record. Central England's average temperature for July and August

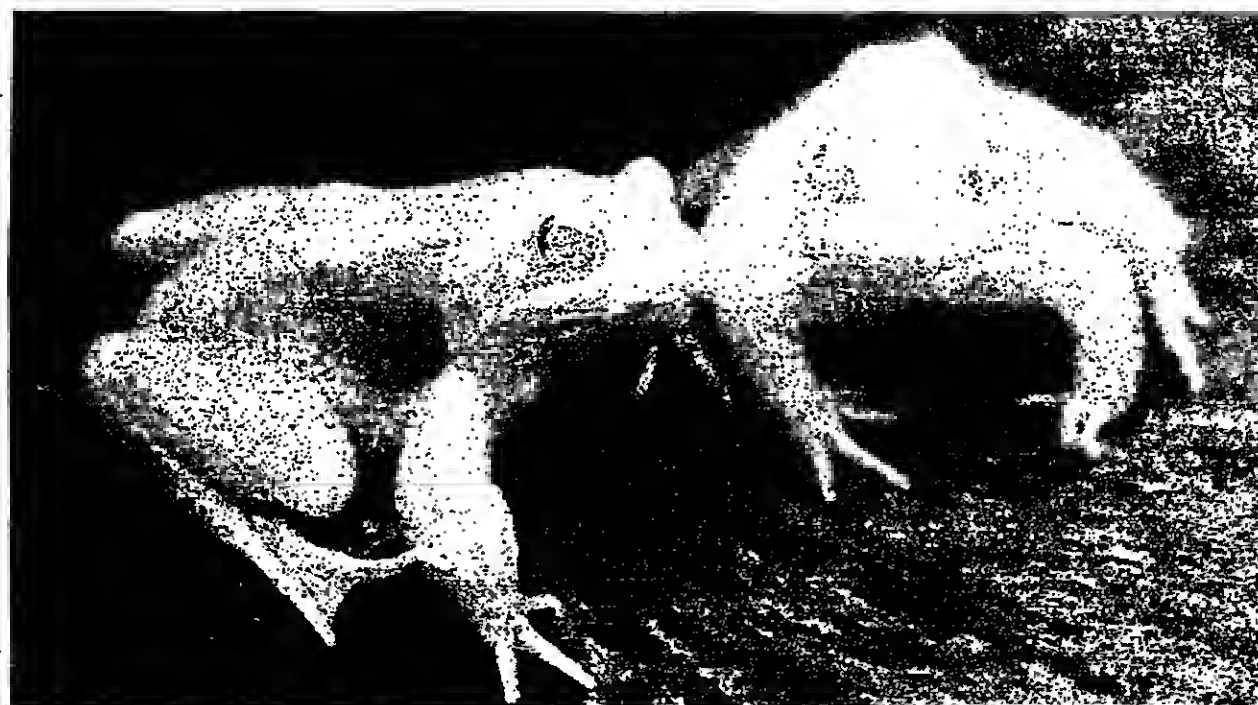
was 3C above the long-term average for those months, and rainfall a third of the average.

The 12 months from November 1994 to October 1995 were also the warmest on record, 1.6C above average, although rainfall through that year was near normal. That is the kind of temperature rise being forecast for Britain midway through the next century, as a build-up of "greenhouse gases" traps heat in the atmosphere.

The research was done by 14 experts at nine universities and research institutes, led by the University of East Anglia's Climate Research Unit.

They found that the Christmas shopping rush was boosted by sunny weather and hot weather seemed to push up inflation. Sex crimes are more frequent when March, August and January are unusually warm.

Tourism: Hot weather makes Britons more inclined to go on holiday in their own country but, perversely, also makes people



Leap in numbers: Orange frogs and other albino varieties are increasing as the temperatures rise

spend less on attractions. In 1995, the heat cut this tourist expenditure by £235m. Visitors spend more time soaking up the sunshine, and less on fairground rides and suchlike.

Health: The baking summer is estimated to have caused over 1,000 extra deaths. But this was far outweighed by reduced mortality in the mild winter beforehand. The total number of

deaths in the hot year was about 15,000 less than it would normally have been. Cases of people made ill by food poisoning were also pushed up as bacteria multiplied.

Energy: Britain saved £355m during the year due to cheaper energy bills. But household electricity consumption rises in a hot summer, as many more homes have freezers than 20

years ago, which use more power in hot spells.

Shopping: Sales of clothes and shoes fell by £383m because of the hot summer weather. Fruit and vegetable sales rose by £25m and beer brewers earned an extra £123m.

Buildings: Clay soils shrunk in the drought, bringing a spate of subsidence claims, which cost the insurance companies at least £300m extra. On the other hand, there were fewer claims from frozen pipes in winter, saving up to £125m.

Farming: British agriculture lost about £180m due to dry weather. The nation's most important crops, wheat, barley and oilseed rape, were boosted by the warmth but there were poor harvests for potatoes.

Livestock was hardest hit, with farmers losing some £210m. Intensively reared animals suffered in the heat.

Forestry: If every year was as warm as 1995, Britain's main commercial forests - conifers planted on the uplands - would be ready for harvesting after 43 years instead of 46.

Water: There were bans on sprinklers, hoses and car washing across much of Britain through the summer, and in Yorkshire Water's area the se-

vere drought carried on into the winter. Water companies had to spend an extra £96m on supplying water, with half of that born by Yorkshire Water alone.

The number of orange frogs, and other albino varieties, appears to be rising and this may be linked to a warming climate, says the Cornwall Wildlife Trust in a report issued today.

The frogs, which range in colour from orange through yellow, pink and cream to white, lack the dark pigments which allow tadpoles and young frogs to absorb solar warmth, helping them grow to adulthood.

The report's author, Mark Nicholson, points out that albinos are more common in southern Britain. "If they do survive better in warmer areas, we might expect their numbers to be increasing if our climate is warming," he added.

Fires: Hot, dry weather causes a sharp increase in heath, grassland and crop fires. Numbers of these fires rose by more than 50 per cent between 1994 and 1995, says the study.

Economic impacts of the hot summer and unusually warm year of 1995. Global Atmosphere Division, Dept of Environment, Romney House, Marsham Street, London SW1.

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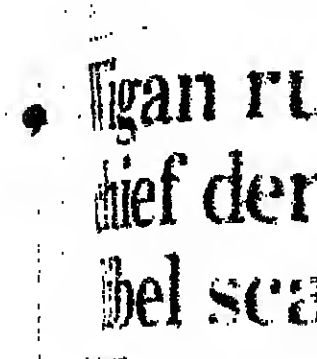
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Doctor in Aids scare struck off for ignoring risk

Louise Jury

The doctor at the centre of an Aids scare was yesterday struck off the medical register after admitting he did not have an HIV test for eight months after an ex-lover warned he was at risk.

Dr Patrick Ngosa, a married father of three, who has vanished since his identity was made public, was found guilty of serious professional misconduct by the Conduct Committee of the General Medical Council (GMC).

Professor Sir Herbert Duthie, who chaired the hearing, said Dr Ngosa had failed to put the safety of patients foremost and had "seriously and persistently" misled the GMC - who first questioned him on the issue last June - and others. "His behaviour was a betrayal of his patients' trust and undermines the trust placed by the public in the profession. Such behaviour cannot be tolerated," Sir Herbert said. The committee would protect the confidentiality of doctors who acted responsibly in such circumstances, he added.

Rosalind Foster, for the GMC, said a former lover of Dr Ngosa contracted the virus and warned him around 1 May that he might be at risk.

The woman's consultant then made repeated efforts to persuade the Zambian-born doctor to address the potential problem and passed details to the GMC in June when he did not. But in a series of letters and telephone calls to health officials, Dr Ngosa denied even having the affair.

He continued applying for jobs in the NHS and worked as a locum in obstetric and gynaecological wards until 13 January this year.

Only when finally forced to take a test, which proved positive, did he admit the relationship with the unnamed woman. He finally told the GMC last month.

Miss Foster said the 39-year-old doctor had a "blatant disregard" for his responsibilities. He had been dishonest about his affair and was determined to remain in practice "at all costs, irrespective of the risk to patients."

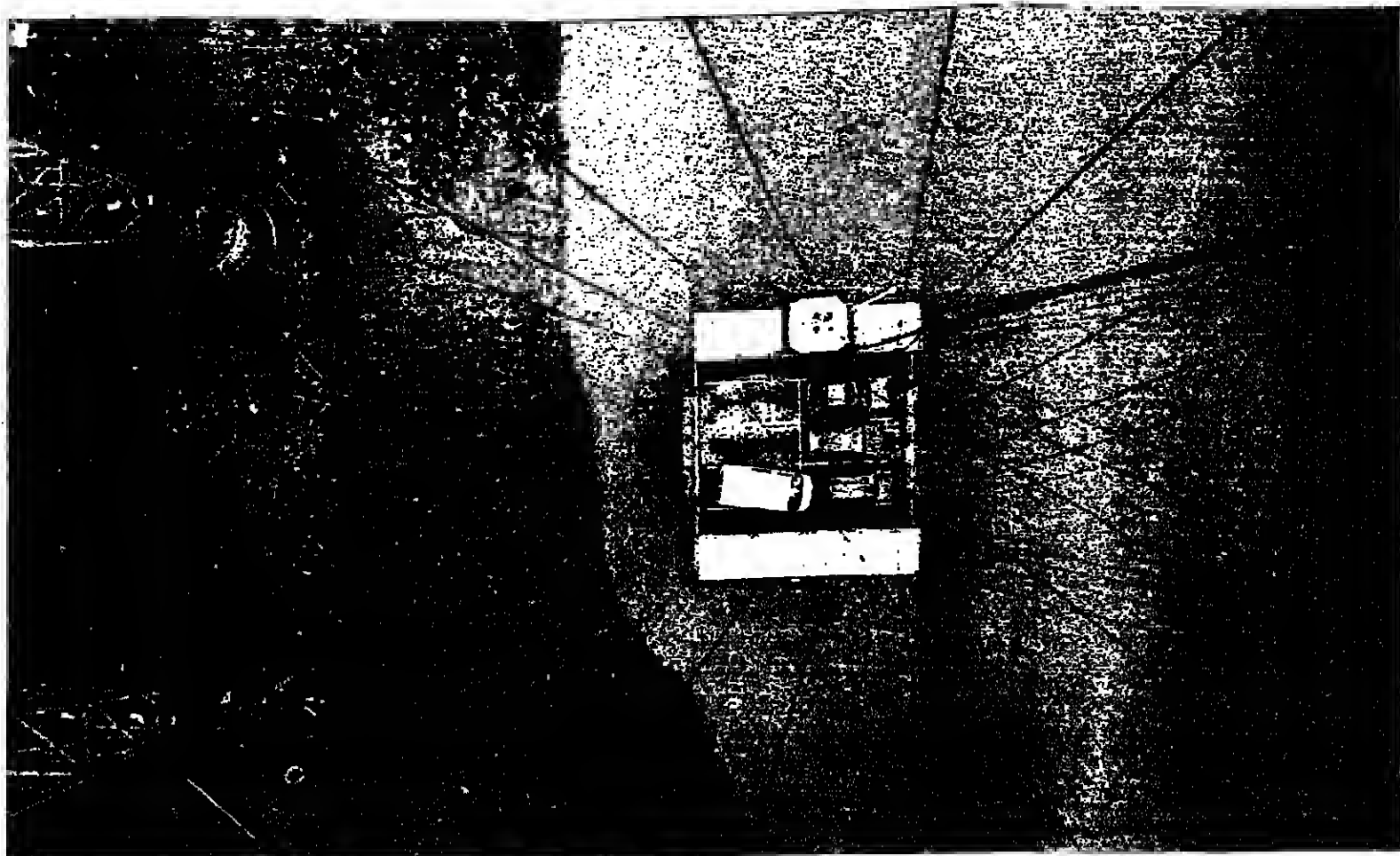
There were still some concerns that he had worked elsewhere than the hospitals in London, Essex, Gloucestershire and Warwickshire which were already contacting 1,752 former patients considered to be at small risk from contact with him.

But Nicola Davies QC, for

Ngosa, said his dishonesty was not deliberate. "It was an inability to accept what may have occurred. It was fear ... which prompted this man's actions." She pointed out there had been a four-month gap between the GMC's letters to Dr Ngosa last June and notification in November that he was to face the Conduct Committee.

Until his name became public at the weekend, he had intended attending the hearing. He recently sat exams for further qualifications and had had discussions about whether alternative jobs in the NHS might be possible.

There has been speculation that he has returned to Zambia, where he is head of an extended family.



Prize ride: Newport Transporter Bridge, Gwent, built early this century, has won a Europa Nostra diploma for restoration work. Photograph: Rob Stratton

Wigan rugby chief denies libel scam

Peter Greenhalgh

Jack Robinson, chairman of Wigan Rugby League Club, tried to induce the director of another club to join him in a fraudulent scheme to win damages against his local newspaper, a court heard yesterday. Bolton Crown Court heard that Mr Robinson, 54, devised a scheme to pursue an action for damages against the *Wigan Observer*, claiming that as a result of its report, Leeds Rugby League Club had pulled out of a lucrative transfer deal for one of Wigan's star players.

Alan Conrad, for the prosecution, said Mr Robinson sought the help of Alfred Davies, chief executive of Leeds, to support his claim, which stemmed from a match in February last year when Wigan were surprisingly beaten by Salford.

Mr Robinson gave an interview to the *Wigan Observer* in which he criticised the club

coach, Graham West, for allowing players to go to Tenerife before the match. The interview was followed by reports alleging players had been involved in "a drunken binge".

The paper mistakenly named one player, Neil Cowie, as being a member of the holiday group when he was not present. Mr Robinson decided to try to turn the mistake to his financial advantage, "in a fraudulent manner", Mr Conrad said.

In phone calls to Mr Davies, Robinson suggested the bogus transfer deal with a view to splitting the profits of a libel action "50-50". "That was clearly a fraudulent suggestion," Mr Conrad added. After Mr Davies' first refusal, Mr Robinson repeated his offer, adding: "Re the Neil Cowie situation: we will give you an extra 10 per cent if you play ball."

"Mr Davies told him to 'bugger off'," Mr Conrad said.

The *Wigan Observer's* editor, Carl Johnston, received a solicitors' letter claiming Cowie's proposed transfer deal had been called off due to the paper's article and demanding a retraction and payment of damages and full legal costs. When he checked the deal with Mr Davies, the "amazed" Leeds chief wrote to Mr Robinson demanding not to be involved.

The court heard Mr Robinson wrote to Mr Davies saying there had been "an unfortunate misunderstanding" and he had never intended to involve Mr Davies in the legal action.

Mr Robinson denies two charges of inducement to produce a fraudulent instrument and one count of attempting to pervert the course of justice.



Jack Robinson: Accused of fraudulent damages bid

Guard sell-off plan dropped

Fran Abrams
Political Correspondent

Plans to sell off the guarding of some of Britain's most sensitive military establishments to a venture capital company have been abandoned, it was announced last night. However, the company is still expected to buy up another defence agency using miners' and rail workers' pension fund money to do so.

Roger Freeman, the public services minister, said last night that the Custody Services agency, which provides security for the chemical and biological weapons research establishment at Porton Down in Wiltshire, will remain in the public sector.

Ministers first tried to sell the agency to an investment company called Apex Partners, but gave up last week after apparently failing to reach agreement over the transfer of staff pensions.

Ministers are believed to have also talked of selling the agency to CinVen, the former venture capital arm of British Coal's pensions branch, which has been bought out by its management but which still handles pension funds for British Coal and British Rail.

Although CinVen had not made clear who would guard the establishments at research bases such as West Freugh, in Scotland, where missiles and bombs are tested, the deal was thought to be a buy-out by the existing management with the firm's financial backing.

However, the support services arm of the Defence, Evaluation and Research Agency, which provides information technology, cleaning and property services, is still expected to be sold to CinVen.

The deal is expected to be announced within the next few days and pushed through before the general election.

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politics

As usual, they were all rushing for the exits after Prime Minister's Questions, when a point of order stopped MPs in their tracks. What followed was truly wonderful.

It was Mr John Greenway, the Conservative MP for Ryedale, who had started it, when he earlier invited the Prime Minister to join him in "congratulating the Chartered Insurance Institute on its centenary year". Didn't the PM agree that "a partnership of insurance companies and the state is the best way of ensuring that future generations can meet their pension needs?"

A quick perusal of the register of members' interests indicated that the enterprising Mr Greenway had not waited for the state to act, but was ensuring his own pension needs through

a personal partnership with the industry. He is a remunerated director of the Smart and Cook Group Ltd to the tune of, er, an undisclosed amount; a shareholder in the same company and owner of a "small share" in the property leased by Smart and Cook; he is also, parliamentary adviser to the Institute of Insurance Brokers (netting between 10 and 15 big ones), and to General Healthcare Ltd (another 5 to 10).

Clearly, a sleaze-sensor at Rebutal House (or whatever Labour's media centre is called) had gone off, and someone had taken a quick gander at the register - for the second that Mr Major went out. Labour's Rebutal-in-Chief Brian Wilson (Cunninghame North) was raising the question as a point of order to the Speaker. Was it in order, he asked, for Mr Greenway not

DAVID Aaronovitch

Bleeper triggers panic at technological invasion

to declare his interests when asking such a question?

There was uproar. But not because of Mr Greenway's supposed misdeeds. For Mr Wilson had not taken delivery of this information via scribbled note, or the hurried whisper of an in-rushing colleague. No, he stood at the dispatch

box, smoking bleep in hand. He had had mechanical assistance!

Sensitive Tories were horrified. Ian Bruce (Dorset South) condemned Mr Wilson "with his electronic devices", containing "messages from Mr Mandelson". Could Wilson and his infernal machines not be arraigned for

witchcraft? Speaker Betty was adamant: "electronic devices that make noises should not be used in this chamber", she declared.

Nicholas Winterton (C, Macclesfield) was not mollified. "Is it appropriate, correct and permissible to use an electronic device in this House?" he demanded. The Speaker had spoken about noise, but "what about those that don't make a noise?" Or (he didn't ask) those discreet personal ones that make just the smallest, buzzing kind of noise?

Up squeaked Harrow West's boy soprano Robert Hughes. "Further to the point of order, relating to the other point of order", he trilled, "was it in order", for a member to be receiving instructions from somebody in the "Labour Party dirty tricks department"? (Let us recall that this particular dirty

trick consisted of reading the register of members' interests and then telling Mr Wilson about it.)

Labour's Kevin McNamara (Kingston upon Hull North) requested urgent clarification. A respected former member of this House had used an electronic device, he said mysteriously, so would this have been outlawed? I recalled that Jack Ashley had always used an industrial-strength hearing-aid. But did McNamara really need clarification? Was he genuinely worried that Betty would leave deaf members unaided?

Tewkesbury Tory, Geoffrey Clifton-Brown weighed in. "We on this side of the House clearly heard the bleeper operated", he whined. I doubt it, Geoffrey, since it was almost certainly set to "vibrate". Perhaps it was your voices again.

PRIME MINISTER'S QUESTIONS

John Major 7/10

Major responded straightforwardly to Blair's questions. He and Blair were so constructive that many MPs became bored and started chatting.

Tony Blair 7/10

Blair did not secure the establishment of an independent food standards agency, but he made progress with his other demands.

THEMES OF THE DAY

- Publication of primary school league tables (Charles Hendry, C; High Peak; Paddy Ashdown; Peter Butler, C; Milton Keynes NE)
- The future for pensions (John Greenway, C; Ryedale)
- Conservative "deal" with tobacco industry in 1992 (Joe Ashton, Lab; Bassetlaw)
- VAT on domestic fuel (Joan Walley, Lab; Stoke on Trent N)

BLAIR'S ATTACK

Blair asked about letters from the Association of Meat Inspectors to the Meat Hygiene Service and Ministers, which had raised concerns about standards in abattoirs over nine months. Would Major make enquiries, and would the Minister of Agriculture publish an account of the allegations, and the warnings that had been given to ministers? Major said the views of the General Secretary of the AMI, as expressed in the letters, contrasted with those of the Vice President, who had praised MHS. But he concluded: "Notwithstanding that... I will most certainly do so."

GOOD DAYS

Joe Ashton

Nicely put the Prime Minister on the spot over Conservative election poster sites being provided by tobacco companies.

BAD DAYS

Paddy Ashdown

Ashdown trumpeted primary school successes in Lib Dem councils' areas; Major pointed out that he would not have known of the success if the Tories had not published the tables.

THE QUIP OF THE DAY

Pre-election tension seems to be exorcising quips from the chamber. But Major's arrival is now greeted with shouts of "bye bye" from the opposition.

THE UNANSWERED QUESTION

Walley: "Does [Major] recall that five years ago yesterday the then Chancellor of the Exchequer made a promise in his Budget speech that he would not increase VAT on fuel? Aren't we entitled now to know why the government didn't go ahead with the promise?" Major replied by asking about the effects of Labour's proposed windfall tax.

THE CREEP OF THE DAY

Greenway: "Would my friend Hon Friend join me in congratulating the Chartered Insurance Institute on its centenary year... Doesn't he agree that a partnership of insurance companies and the state is the best way of ensuring that future generations can meet their pension needs?" Compiled by Ben Summers

Clarke at odds over VAT claim

Colin Brown
Chief Political Correspondent

Politicians and the public were left pondering who was telling the truth yesterday after Kenneth Clarke and Yvette Murphy, a reporter for *The Grocer* magazine, defended their conflicting stories over whether or not the Chancellor wanted to raise VAT on domestic fuel to 17.5 per cent.

The battle over *The Grocer* report now threatens to become an election issue after Gordon Brown, the Shadow Chancellor, accused Mr Clarke of having a "secret agenda" to raise VAT. "Now he has come clean," said Mr Brown.

Ms Murphy, 32, and her editor, Clive Beddall, were standing by their story that Mr Clarke had told a group of journalists as he left a banquet that his challenge was to increase the rate of VAT on fuel to 17.5 per cent.

She had gone as a last-minute "stand-in" for a colleague. Mr Beddall had suggested that she ask Mr Clarke about Labour's claims that the Tories wanted to put VAT on food.

"When the speeches were over, he sat down and I made my way to his table. He was lighting a cigar. I interrupted him and said I would like to ask him some questions," she said.

He stood up and she asked about Labour's VAT-on-food claims, which have appeared on Labour posters. Mr Clarke insisted he would not contemplate putting VAT on food. Ms Murphy pressed him on the point, saying that the Tories had previously ruled out VAT on domestic fuel, but had then imposed the tax.



Sticking by her story: Yvette Murphy, whose report in *The Grocer* prompted a quick response from the Chancellor

Photograph: Andrew Hannon

"He said that was necessary and he said that the challenge now was to get VAT up to 15 per cent and then he corrected himself and said 17.5 per cent."

"It only stuck in my mind because he stumbled. I was asking him the question to extract more comments about VAT on food, which was the story I was after. We then continued talking about VAT on food."

But Mr Clarke, who was woken up in China by calls from Conservative Central Office to deny the reports, insisted that he had said "nothing significant" about VAT on fuel.

The Chancellor said it had not crossed his mind to raise the

VAT rate on fuel after the Commons rejected the increase in a government defeat, but he stopped short of an outright denial of her precise claims.

Brian Mawhinney, the Conservative Party chairman, backed the Chancellor at a party election press conference, and Downing Street officials said the Prime Minister would be happy to reinforce that support.

Mr Clarke, on a visit to Peking, said: "Any implication that I have contemplated rais-

ing VAT on fuel after Parliament settled it on 8 per cent is nonsense. If she [Ms Murphy] has presented my remarks in the context that I was giving her any statement of intention about VAT on fuel or any sensational new remark about VAT on fuel, that is not correct."

"This is all a phoney political debate because a tax-raising chancellor keeps having to answer questions about tax increasing proposals that - speaking of myself in the third person

- have never crossed his mind. "Suddenly alighting on a phrase in an off-the-peg interview in *The Grocer* which at the time was not regarded as a significant new statement by the journalist - that is just taking the economic debate away from reality."

He said on BBC radio that Ms Murphy had clearly not thought he was saying anything important at the time as his comments were buried in the middle of an inside page report.

Health authority faces sack over old people's ward closure

Annabel Ferriman

Members of a health authority could be sacked for approving the sudden move of five elderly people into a nursing home - in order to close a ward - against the advice of the doctor in charge. Three of the patients died within three weeks of the move.

A parliamentary select committee will today recommend that the Secretary of State for Health consider sacking the members of North and Mid-Hampshire Health Authority for the decision.

The committee, chaired by James Pawsey, MP for Rugby and Kenilworth, said that the "members and officers should be ashamed of what took place. We recommend that the Secretary of State review the suitability of these persons to be in positions of responsibility in the health service."

The committee condemned the way that the decision to close the ward, at Park Prewett Hospital, Hampshire, and move the patients, was taken behind closed doors and in the face of a strong recommendation against it by the consultant in old age psychiatry, Dr Pearl Herditch, who is a vice-president of the Royal College of Psychiatrists.

The patients were eventually moved when the doctor was on holiday.

Mr Pawsey said yesterday: "This was an appalling case. It is very rare that a committee recommends that the Secretary of State review the suitability of health authority members to be in positions of responsibility."

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Mr Pawsey said yesterday: "This was an appalling case. It is very rare that a committee recommends that the Secretary of State review the suitability of health authority members to be in positions of responsibility."

That underlines the seriousness of the case."

The select committee was commenting on the report of the Health Service Ombudsman, who had already condemned the actions of the health authority in his report for 1995-96. He investigated the matter, after a complaint from relatives of one of the patients who was moved - a man in his 90s, who died two weeks after being put into a nursing home.

The select committee went further than the Ombudsman, however. It said: "We cannot criticise strongly enough this brazen attempt to ignore the expert advice of the responsible clinician who had known the patient for six years. Her advice was inconvenient to the relevant managers."

"Mr [Alan] Langlands, Chief

Executive of the NHS Executive in England, in speaking of this case, did not question the motives or integrity of the authority. We do."

"The decision to bring forward the move was made without knowledge of the clinical assessment of all the patients and pursued in a highly improper manner. The interests of the patients were forgotten."

"We criticise the authority for making the decision in a closed meeting. We consider that the description of the meeting as informal, despite all the trappings of a formal meeting, suggests some sleight of hand and an attempt to rush through a decision without the inconveniences of public scrutiny and possible controversy. We deplore such blatant disregard for departmental guidance."

Parties squabble over school blame

Labour and the Conservatives battled yesterday over the responsibility for bad schools after the publication of the first primary league tables, writes Judith Judd.

Gillian Shephard, Secretary of State for Education, said the 10 worst-performing local education authorities were all Labour-controlled, compared with only 1 of the best 10. "Tony Blair has claimed that there is no need to be afraid of Labour. These performance tables dispel that myth."

David Blunkett, shadow Secretary of State, retorted that 51 of the top 100 primaries were either in Labour-controlled authorities or in hung councils with Labour chairmen. Just three were in Conservative-controlled councils.

Mr Blunkett blamed 18 years of government incompetence for the fact that 4 out of 10 children failed to reach the expected standard in tests for 11-year-olds in English, maths and science.

A Labour spokesman said: "Tory efforts to politicise this are ridiculous. "Because Labour is in charge of most local authorities in the country it is logical that some of the worst and best will be run by Labour councils."

The tables cover only English primary schools.

The Welsh Office produced different tables for 11-year-olds last month which did not identify individual schools.

No tables are being published for Scotland, where parents rejected tests of this type.

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Jails crowded to crisis point, say governors

However, it is understood that Prison Service is preparing to use 1,200 police cells in England and Wales.

A high-contrast, black and white photograph of two men in a room. The man on the left is in profile, facing right. The man on the right is facing left, looking towards the first man. They appear to be in a room with a door or window in the background.

Photograph: Brian Ham

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Oriental chic: A model shading John Galiano's delicate embroidered blossoms at Christian Dior's 1997-98 ready-to-wear show in Paris yesterday. Photograph: Ben Elmes

Serial sex attacker poised to strike again, police fear

Jason Bennetto
Crime Correspondent

A serial sex attacker is preying on women in the West Midlands and is believed to have assaulted at least 21 victims in the past three months.

Detectives fear that the man, who frequently uses a knife to terrorise his targets, will strike again soon.

In a large number of the cases, he has grabbed his victim from behind, often from a bus stop, or off the street, and taken her to a quiet spot before attacking and robbing her. Some of the women have suffered serious sexual assault and are deeply traumatised.

He is believed to be responsible for at least 18 separate attacks in Birmingham and in Kidderminster, in Hereford and Worcester. The youngest victims were 15 years old.

A team of 40 officers is trying to track down the serial criminal and a reward of £1,000 has been offered. Detective Chief Inspector Trevor Swingle, who is heading Operation Blackpool, said: "We need to catch this man before he attacks anybody else."

The attacker often uses a craft knife with a retractable blade during the assaults.

A police spokesman said: "He frequently approaches people from behind with a knife and puts his hands over their mouths and then attacks them."



2 December, 5pm, 15 year old dragged into park in Harborne and indecently assaulted.
Christmas Day, 5pm, 16 year old, robbed in Sutton Coldfield.
24 December, 10pm, 17 year old girl, forced into bus shelter and sexually assaulted and robbed in Shirley, Solihull.
18 January, 6.30pm, 17 year old, Kidderminster, money demanded and ran off.
18 January, 8.50pm, 20 year old, £20 taken.
19pm, 40 year old, indecently assaulted.
19 January, 19 year old forced onto nearby grassland and sexually assaulted in Barley Green.
20 January, 5pm, 32 year old, robbed in Selly Oak.
20 January, 10pm, two girls forced into an alley and indecently assaulted in Northfield.

The first attack is believed to have taken place on the evening of 2 December, when a 16-year-old girl was grabbed from behind by a man while she was walking along the road in Harborne, Birmingham, and was dragged into a park where she was indecently assaulted. Other victims include a girl aged 17 who was approached by a man with a knife while she was waiting in a bus shelter in Solihull on 28 December. She was forced into the shelter and sexually assaulted before having her money snatched. In one evening, on 18 January, in Kidderminster, five women were attacked at knife-

point. They included a 40-year-old who was indecently assaulted and an 18-year-old who was cut on the hand. On 19 January, the attacker ran up behind a woman aged 19 at Barley Green, Birmingham, and forced her onto nearby grassland where she was robbed and indecently assaulted.

Two girls were threatened by a man with a craft knife on 20 January while they were walking in Northfield, Birmingham. The man forced them into an alley and then indecently assaulted them, before fleeing.

Two 15-year-old girls were assaulted by a knifeman while waiting at a bus shelter in Wooty Castle, Birmingham. They were pushed to the ground and threatened. However, the attacker was disturbed by a motorist and ran off.

A 16-year-old walking in Northfield was threatened and forced behind a block of maisonettes where she was indecently assaulted and robbed on 19 February.

Two days later a 15-year-old girl was seized and threatened with a knife while she was waiting at a bus stop in Solihull. She was robbed and indecently assaulted.

The last reported incident happened on 2 March when a 17-year-old girl, walking home in Bournville, Birmingham, was forced into a nearby park at knife-point and sexually assaulted and robbed.

The attacker is usually described as a white man, between 5ft 6in and 5ft 10in, aged in his late twenties or early thirties, of stocky build, and wearing a baseball cap, a dark bomber jacket, jeans, and training shoes. Anyone with information about the attacker should contact the West Midlands police on 0121 626 4123.

Low-paid to get court 'entrance' fee refunds

Patricia Wynn Davies
Legal Affairs Editor

Thousands of people on low incomes got the go-ahead for refunds of court "entrance" fees yesterday after the Government swiftly bowed to last Friday's High Court ruling that new regulations were unlawful. Lord Mackay, the Lord Chancellor, said that he would not attempt to appeal the decision and would immediately make new orders restoring the exemption from fees for people on income support, and restoring the right of others of limited means to apply for reductions or remissions. The order will replace those parts of rules introduced on 15 January but declared invalid by

the court. Anyone who would have been eligible for exemption or remission but for the changes will be eligible for a refund.

Mr Justice Laws said in last week's test case that the effect of the new rules was to "bar absolutely" many people from seeking justice from the courts in a wide-ranging variety of situations.

"The right to a fair trial, which of necessity imports the right of access to the court, is as near to an absolute right as any I can envisage," he said.

The case, brought by an Essex businessman, John Witham, related only to the High Court, but Lord Mackay went further yesterday, bringing county and family-court proceedings within the scope of the order.

But a spokeswoman said he "remains concerned about the potential injustice where litigants in person, who are exempted or remitted from court fees, bring unjustified actions against defendants who must then pay to defend themselves with no prospect of recovering their costs."

"This judgment implies that this must be a matter for Parliament to regulate and the Lord Chancellor will consider it further in that light."

Nothing in the judgment or the new orders will affect the steep rises in court fees introduced by the rules, which raised the High Court fee from £100 to between £120 and £500 and those in other civil cases from between 50 and 150 per cent.

EXPECT THE UNEXPECTED

There's an adaptation of an old Tommy Cooper joke about a man who, whenever he looked up, got a pain in his neck and the doctor said the cure was never to look up. In Ghent the quack would have said "look up", the pain was worth it.

Look up and say ahh

Standing in front of St Bavo's Cathedral with its imposing Gothic style tower and looking up towards The Belfry you can see examples of 14th, 15th, 16th and 17th century Flemish architecture. Go down to the quays or walk along the canals and you can see guild and warehouses dating from the 1100's. But the ancient is common in Ghent; in fact it has more historic buildings than any other Flemish city including Bruges. To try to ignore them would be murder if not impossible.

A painful, long drawn out affair

The people of Ghent have never been too keen on being told what to do which led to the odd rebellious and riot. This somewhat interrupted construction of some of the most important buildings. The Town Hall, taking 400 years to build, is a wonderful mish-mash of styles and the magnificent Cloth Hall, started in the 1400's, was only completed early this century.

The hangings always draw the crowds

The merchants, being flush with cash, attracted artists from all over Flanders. Without doubt the greatest example of Flemish art and one of the world's masterpieces is the "Adoration of the Mystic Lamb" by Jan and Hubert

van Eyck in St Bavo's Cathedral. But Ghent is crammed with museums and galleries exhibiting art and artifacts from the 14th century on. To attempt to view all the hangings would kill you.

They die to get into The Counts Castle

It wasn't always the case and even the Counts of Flanders found the castle so unwelcoming they moved out leaving it as a place of execution. Nowhere was sacred, including the crypt which was used for the occasional eye gouging. Today the torture chamber is Ghent's most popular sightseeing attraction.

On a short break you'd be stretched

For all its tumultuous past Ghent is a very laid-back, friendly city. On a short break it would be torture to try to do everything so spare yourself the pain: take in as much as you can handle then come back and see the rest. That way you'll expand your mind without being stretched.

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international

Arafat cold-shoulders Israel as tension builds over West Bank

Patrick Cockburn
Jerusalem

Yasser Arafat, the Palestinian leader, has instructed his officials to break off all contacts with Israel as part of the growing confrontation over the limited scale of the Israeli withdrawal on the West Bank planned for this week and the building of a Jewish settlement at Har Homa in East Jerusalem.

"Israel is pushing us into a corner, making us despondent," said Mohammed Dahlan, the senior Palestinian police official in Gaza. "The street is heating up and is about to boil."

Israel announced unilaterally last week that it was pulling out of 9 per cent of the West Bank in the first stage

Israel is pushing us into a corner... the street is heating up and is about to boil

of a three-part withdrawal to be concluded by the middle of 1998. Palestinians say they expect to control 30 per cent of the West Bank at this stage and 90 per cent of the rest of it by the time the withdrawal ends.

Benjamin Netanyahu, the Israeli Prime Minister, who is on a visit to Russia, appears to have miscalculated in much the same way he did over the Israeli withdrawal from Hebron last year by assuming Mr Arafat would be grateful for whatever he could get. Instead, the Palestinian leader has even internally decided that he has the international support to demand more.

A sign of anger in the Arab world – and of growing tension between Israel and Jordan – is an angry letter sent by King Hussein to Mr Netanyahu which declares: "You are destroying the peace process and I haven't an ounce of trust in you." In the past King Hussein was the Arab leader most sympathetic to Mr Netanyahu. The Israeli leader replied:



Through the line: A Palestinian mother carrying her child past Israeli soldiers near Hebron yesterday

Photograph: Reuters

"There is no place for this criticism and no place for this tone."

Already there are signs of increasing violence. A 19-year-old soldier at an Israeli settlement near Hebron was stabbed more than 20 times yesterday. Earlier 10 Palestinians were injured by Israeli soldiers as they demonstrated against the construction of a road to be used by settlers, also near Hebron.

Mr Netanyahu is adamant that he will not increase the extent of the Is-

raeli withdrawal above 9 per cent in the first phase. In the Hebron agreement in January the Israeli leader claimed that one of his achievements was to give Israel the right to determine the size of the area from which it would withdraw. The Oslo accords say Israel is to end the occupation of the West Bank.

This ambiguity was always likely to lead to a crisis. Mr Arafat may have decided that it is better, in the aftermath of the United Nations Security Council

vote by 14 to one against the building of Har Homa, to force a battle with Mr Netanyahu now, rather than wait. President Bill Clinton said in Washington that the American veto of the UN resolution should not be interpreted as meaning that the US supported settlements, but he added that the Palestinians would be making a "terrible mistake" if they resorted to violence. Palestinian leaders were angered by Israel's unilateral decisions on the West Bank and

on Har Homa. Yasser Abed Rabbo, one of their negotiators, said after meeting with Yitzhak Mordechai, the Defence Minister: "... the Israelis don't want to talk. They just want to dictate terms."

Israeli analysts are unclear how far Mr Arafat intends to go in bringing relations with Israel to crisis. They fear, however, that the start of construction at Har Homa next weekend may provoke violence – whatever the intentions of the Palestinian leader.

significant shorts

Missile 'evidence' for flight TWA800 crash

Investigators into the crash last July of flight TWA800 have seized a videotape that could support claims that the aircraft was downed by a missile in either a terrorist attack or in a friendly-fire mishap.

The FBI was granted a subpoena for the seizure late on Monday by a District Court in New York. The tape, which is likely to be viewed by a federal grand jury today, belonged to a former United Airlines pilot, Richard Russell. It is believed to show radar images of some object hurtling towards the aircraft just before it exploded, killing all 230 aboard. Officials insist they have found no evidence that a missile struck the plane. They have dismissed a report published earlier this week in a California newspaper, the *Press-Enterprise*, detailing what it said was new evidence that a missile penetrated the fuselage. Mr Russell, who assisted the newspaper's reporting, yesterday denounced the confiscation of his tape. "They took my property away, but that's the way they operate ... It's a cover-up," he said.

David Usborne - New York

Human cloning 'unacceptable'

The World Health Organisation (WHO) said yesterday that any use of cloning techniques to create identical humans was unacceptable and suggested that experiments in this direction should be banned.

Reuters - Geneva

Radioactive fire in Japan

Japan's nuclear-power program suffered another embarrassment last night when fire broke out at a nuclear waste-handling facility. It was the second fire within 10 hours at the facility. No one was injured, but officials said the first fire exposed 10 of the 50 workers present to tiny amounts of radiation.

AP - Tokyo

International editor of the year

Salima Ghezali of the Algerian weekly newspaper *La Nation* has been chosen as the *World Press Review's* International Editor of the Year for her coverage of fighting between Algeria's military-backed regime and Islamic militants.

AP - New York

US found spying in Germany

German officials confirmed yesterday that a United States diplomat had tried to recruit an official in Germany's Economics Ministry as a spy for Washington. The news magazine *Der Spiegel* reported at the weekend that the US pulled a CIA employee from its Bonn embassy after he was accused of spying, a first in post-war US-German relations.

AP - Bonn

Time stands still for France

France failed to convince the rest of Europe to abandon the ritual which puts clocks forward an hour every March to give longer, lighter summer evenings. European Union ministers voted fourteen to one to retain the time change although they offered France the concession of a review of the legislation in 1999.

Katherine Butler - Brussels

Beer town feels distinctly flat as brewers bottle out

MILWAUKEE DAYS

Winter is many months old and the ice on the Milwaukee river is fractured and grubby. Appropriately, it is also strewn with empty beer bottles. This, after all, is Beer Town USA. If you think cars in Detroit and cigars in Havana, then what comes to mind in this city will forever be the brown stuff.

Or will it? They are still drinking quantities of beer here and a few folk are still making it. But these days the people of Milwaukee are mostly crying in it. Two of the city's greatest breweries, Schlitz and Pabst, are no more. Only Miller remains.

The beer heritage of Milwaukee, which sits on Lake Michigan, 100 miles north of Chicago, dates back to the early 1800s when beer-loving Germans were settling here at the rate of a thousand a week. By the century's end, brewing provided more jobs than any other industry. Beer was the fuel that built this still-handsome town and nourished families through generations.

Suds and sausage remain etched in the Milwaukee's heart. (For the latter, I recommend Ussinger's Famous Sausage in the heart of downtown). Laverne and Shirley of the television sitcom of the same name – still in re-runs here – worked in the fictional Schlotz brewery. The city's beloved baseball team, the Brewers, is soon to get a new home; it will be called Miller Stadium.

It was Schlitz that dreamed up the legendary slogan: "The beer that made Milwaukee famous." But then, in the early 1980s, after selling out to rival Siroh, Schlitz split. Left behind was a huge and ornate

town-centre brewery that has now been converted into high-priced apartments.

It was Jerry Lee Lewis among others who sang: "What made Milwaukee famous has made a loser outta me". Now Milwaukee is the loser. Even Old Milwaukee, a dark beer that remains popular country-wide, is brewed in Detroit. Miller, founded in 1880 as the Plank Road Brewery, is owned by Philip Morris, the out-of-town conglomerate that gives also us Kraft cheese and the Marlboro Man.

The latest agony, however, has been delivered by Pabst. Although its brand may be obscure internationally, Pabst was the city's first major brewery after its foundation by German immigrants in 1840, only four years after the creation of the Wisconsin Territory. By the late 1880s, with Captain Frederick Pabst at its head, Pabst had become the largest selling beer in the nation. Pabst Blue Ribbon actually had blue ribbons on its bottles.

In this century, Blue Ribbon grew into the beer of choice for blue-collar workers in the Midwest and especially in this heavily blue-collar city. With its blackened bricks and crenellated walls, the Pabst brewery looms from a hill above downtown like a Dickensian jail. A single chimney rises from the plant's heart with Pabst spelled out in white ceramic tiles.

Today, the plant is empty. Lorry trailers with the Blue Ribbon logo are still backed up

to some of the loading bays but a notice in the door of the gift shop and public beer garden says tersely: "Tours suspended until further notice." A few bulbs are burning inside, but the brewery is silent.

The end came in December last year. Pabst's owners since 1985, the S&P Corporation of California, contracted out the

They didn't just kill a bunch of jobs at a brewery ... They killed a family

brewing of Blue Ribbon and closed its Milwaukee facility. Almost 300 jobs were lost as well as the health insurance of 700 former employees. Gone also was a bit of Milwaukee's civic soul. Wayne Watkins, a Pabst employee of 28 years, explains: "They didn't just kill a bunch of jobs for brewery workers. They killed a family."

The feeling of betrayal is palpable. Straight after the announcement, bars across the city held "drink it or dump it" Pabst nights to exhaust their stocks of Blue Ribbon. Few establishments will serve it now. Even in the posh Pfister Hotel, a request for a Pabst carafé

look of disgust. "We don't serve it any more," the server replies. "That company is evil."

The anger extends to the office of the Mayor, John Norquist. With photographs behind his desk of himself downing beers with supporters, he reasons that the US, unlike Europe, does not practice industrial policies that might have given Pabst a prop to stay open. I press him, however. Was he a Pabst drinker before? Certainly. Will he drink it now? Certainly not.

Proud natives urge me, however, to visit one of the micro-breweries that have recently mushroomed across the city. The big breweries may be leaving, they insist, but the brewing spirit of Milwaukee still lives.

I am happy to comply with a stop at a micro-brew restaurant called Rock Bottom, on the banks of the river. In the converted halls of an abandoned bank, Rock Bottom serves some ales brewed on-site that are delicious. I am puzzled, however, by the giant photographs on the walls of landscapes from the American West – Colorado peaks and sunsets in Utah.

Rock Bottom, I discover, is about right. This place has nothing to do with Milwaukee and its proud history of brewing. What it does represent is the slow homogenisation of America. It is the one-formula-for-all, shopping-mall principle. Rock Bottom is just one more outlet of a company based in Boulder, Colorado and listed on the Nasdaq securities exchange. Poor Captain Pabst. How he must be spinning in his grave.

David Usborne

Tung calls in media experts

Stephen Vines
Hong Kong

Irene Yau, who headed the information department of Chris Patten's Hong Kong administration until yesterday, will start work today sorting out the rather chaotic media relations of Tung Chee-hwa, who will head Hong Kong's first post-colonial government.

Announcing the appointment yesterday, Mr Tung said that Mrs Yau would be of "immense value" to his office, which has become notorious for its unresponsive media relations.

Mrs Yau, a veteran government media official who has good relations with the media, will head a new team that largely consists of other former government information officers. She was due to retire, but has been pressed back into service.

Mr Tung has made it clear that he intends to focus most of his media effort on the local press. But he broke the ice with the foreign media by giving an interview to CNN television. Foreign reporters requesting interviews have been asked to submit articles written about the new chief executive for vetting.

As well as appointing Mrs Yau, Mr Tung has managed to second Michael Suen, the Secretary for Home Affairs, to oversee policy co-ordination. Mr Patten originally refused to allow his policy secretaries to be seconded, but has relented in the face of the overwhelming pressure from civil servants who want to join the new order.

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Bonn wraps Emu resolve in pragmatism

Imre Karacs
Bonn
Yvette Cooper

The German government never tires of assuring the public that European monetary union will go ahead as scheduled in January 1999. Calling for a delay, it keeps warning its own friends, might become a self-fulfilling prophecy.

"A debate about postponement leads nowhere," Theo Waigel, the Finance Minister, reiterated yesterday. Nevertheless, that is the debate that Germany has got, fuelled by various scenarios emerging from leaky government departments.

For, while they have been assuring Germans that postponement was not an option, Chancellor Helmut Kohl's aides have been busy planning escape routes. Version one, the meltdown scenario, foresees a day in the not-too-distant future when Bonn might have to cancel the project.

The result would be a leap in the value of the German mark, currently kept low by expectations that it will give way to somewhat softer money. Other currencies, notably the lira, would no longer be held aloft by the mark, and would collapse. While speculators would double their fortunes overnight, there would be a political fallout. Several European countries that have worked hard for years to come up to German standards, would rightly blame Germany for ruining their economies.

To avert this catastrophe, German officials have devised what they think is a wonderful compromise: monetary union would start on 1 January 1999 as scheduled, but "only on paper". Exchange rates of partic-

ipating currencies would be locked together gradually, starting with the most stable – the mark, French franc, Austrian schilling and Dutch guilder – and bringing in the other countries as they make the grade.

For the first year, therefore, the European Central Bank would only pretend to set interest rates and monetary targets across the core group. Its real work would begin a year

later than planned in 2000. The beauty of this arrangement is that it would give the likes of Italy and Spain an extra 12 months to put their houses in order. The delay would be justified by commercial interests: Shops have long been complaining that the current transitional period, during which they will have to juggle two currencies, is too long.

The final deadline of January 2002, when the euro is set to replace national currencies, would still be kept. There would, therefore, be no postponement, as Mr Kohl might well be arguing this time next year. Emu institutions could begin oper-

ating on schedule but the decision about which countries are members would be delayed. Eric Fishwick of Nikko Europe said: "It is even possible that other countries could go ahead without Germany, so long as Germany is committed to joining pretty quickly. The Germans might see that as a better alternative to fudging the Maastricht criteria given the symbolic significance attached to the criteria in Germany now."

But James Mitchell of Deutsche Morgan Grenfell said: "Germany is seen as the anchor of Europe. Emu can't go ahead without Germany."

However, public debate in Germany has taken "a pronounced anti-Emu turn," according to the Director of the Bonn based Centre for European Integration Research. Speaking in London yesterday in a meeting organised by the Centre for European Policy Research, Jürgen von Hagen said: "EMU has never been popular in Germany. The move towards a single currency relied on two assumptions: that Germany would make the Maastricht criteria and that the German government could persuade the public to give up the Deutschmark. Both assumptions are now in doubt."

Mr von Hagen said that only 8 per cent of the German population believed there would be economic benefits from joining a single currency. However, the Kohl government had, he said, been extremely successful in equating monetary union and European integration. He said: "There is a long tradition in Germany: you can be anything, but you can't be against European integration. That is sacrosanct."



Theo Waigel: 'Debate about delay leads nowhere'



Manning the barricade: A police officer trying to push back a barrier broken down by protesting miners in the government district in Bonn. Photograph: AFP

Angry miners fail to move king Kohl

Imre Karacs
Bonn

The bell tolled for Helmut Kohl, rung by angry miners as they impaled an effigy of the Chancellor on the fence outside his office in Bonn. "Come out, you coward," screamed 10,000 burly men, but the man mountain remained unmoved.

He would not let himself be intimidated in this way, he said, cancelling a face-to-face meeting with union leaders. The message was communicated to Hans Berger, head of the miners' union, and relayed to the demonstrators by megaphone.

At a stroke, the mood of the peaceful gathering turned ugly. A group of miners made a dash towards the chancellery, scar-

tering the thin green line of diminutive traffic police who had thought they had come for a picnic. A detachment of 5ft tall body-builders in riot gear rushed forward to stop the breach, only to be outflanked at another barrier a hundred yards away.

About 100 protesters pushed against the barricade and broke through, shattering the window of one police van and hurling eggs at the officers. The disciplined union members were straining at the leash. Ignoring the pleas of shop stewards to leave, they resolved to sit in the middle of the road, at a spot in the heart of the government district where no demonstrator had ever trod.

"We stay here," they chanted. "We want work." It took the

leader of the Greens, Joschka Fischer, to calm them down. Mr Fischer, no fan of fossil fuel himself, strolled casually into the melee from his office near by, and dispensed pacifist advice to anybody who would care to listen. "What the chancellery has done is a provocation," he said, "but you should not swallow the bait." The miners applauded coal's fiercest enemy, and eventually moved away.

Government politicians, meanwhile, were under siege in their offices, giving the opposition a monopoly to milk the crowd. Up popped Rudolf Scharping, the Social Democrats' parliamentary leader. "If Herr Kohl will not go to the people, then the people must go to him," he intoned. That went

down well. Union bosses had apparently done a deal with Mr Kohl to take their supporters home and return to Bonn alone for the final talks about pit closures tomorrow.

However, the troops who had been marched up the hill were refusing to be marched down again. Last night large numbers were insisting that they would stay exactly where they were.

The stage is thus set for the ultimate confrontation between the conservative government and the vanguard of what is left of the German proletariat. The miners, who fear job losses if the government implements its plan to halve coal subsidies, emerged from yesterday's skirmish as the moral victors. They now

enjoy the wholehearted – if only verbal – support of the opposition, who feel obliged to demonstrate solidarity by crippling the government's legislative programme.

The Social Democrats, who run the coal regions and will shoulder a large proportion of subsidies under the new regime, walked out of talks with Mr Kohl over tax reforms in protest at the cuts. Without their backing, he is in danger of becoming a lame-duck chancellor for the rest of his tenure.

Nato growth to cost £20bn

Tony Barber
Europe Editor

Britain will have to pay about £200m a year as its share of funding Nato's expansion into central and eastern Europe, according to researchers. The British-American Security Information Council (Basic), a non-governmental organisation, said its estimate was based on figures supplied by the Clinton administration to Congress in a report last month.

It was one of the first efforts at calculating the financial cost of Nato enlargement to Britain, traditionally one of the main paymasters of the alliance. "The question for Ken Clarke and Gordon Brown is: will the £200m a year for Nato expansion be paid for by cutting other defence items, by cutting domestic spending or by in-

creasing public borrowing?" Daniel Plesch, Basic's director, said.

Concern about the financial and diplomatic costs of Nato enlargement has risen in the United States and Western Europe since the alliance announced last year that it was setting a target date of 1999 for embracing new members. One of this century's most highly respected US diplomats, George Kennan, has questioned the need for enlargement, as have an increasing number of commentators in influential US and German newspapers.

The Clinton administration report to Congress indicated that the Czech Republic, Hungary, Poland and perhaps Slovenia were expected to become Nato's newest members. It estimated the cost of expansion at \$27bn-\$35bn (£16.9bn-£21.9bn)

over a 13-year period lasting until 2009.

Out of this figure, Nato's European members and Canada would be expected to pay \$12.5bn-\$15.5bn, with the US and the new member-states picking up the difference. According to Basic, Britain's individual contribution over the next 13 years would be \$3.24bn-\$4.02bn – a figure derived from the fact that after excluding the US contribution, Britain paid 25.93 per cent of Nato's budget in 1994.

Based on an exchange rate of \$1.50 to the pound, the cost to Britain over 13 years would therefore be £166m-£206m a year. If the present exchange rate of \$1.60 to the pound is used, the bill falls to an annual £156m-£193m.

Some of the main costs associated with Nato enlargement are those of making the com-

mand-and-control and communications systems of new member-states compatible with those of existing members. Military strategists say it will also be necessary to upgrade the equipment of new members, especially that of their ground forces.

Despite such costs, the alliance's official line, spelled out in Washington last Monday by Malcolm Rifkind, is that Europe will be far worse off if Nato fails to expand eastwards. "We would have a line down the middle of Europe, just like the Iron Curtain... Instead, we should be doing away with the division of Europe forever," the Foreign Secretary said.

He warned that, unless Nato absorbed new members, "local and regional alliances would spring up, in a frightening facsimile of pre-Second World War Europe."

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Yeltsin clears decks for cabinet reshuffle

Phil Reeves
Moscow

Boris Yeltsin has demanded that all but the top two men in his government should resign as a forerunner to a cabinet shake-up with which he intends firmly to reimpose his personal authority after months of illness.

Dozens of ministers and other top officials were yesterday ordered by presidential decree to give in their notice to clear the way for the announcement of a new cabinet, which is expected by the end of the week.

The overhaul follows Mr Yeltsin's badly disputed decision to appoint his unpopular chief-of-staff, Anatoly Chubais, as number two in the government under the premier, Viktor Chernomyrdin. The political complexion of the new government was unclear yesterday, although — to the delight of the West — Mr Yeltsin said that he intends to press ahead moves towards a free market economy.

Yesterday's decree exempted Mr Chernomyrdin and Mr Chubais who are now running the government in harness with Mr Yeltsin, giving rise to speculation that Russia is on a more liberal tack. Some incumbents seem certain to be kept on — notably, Yegeny Primakov, the Foreign Minister, who has been spearheading resistance to Nato expansion.

The Kremlin has been eyeing Russia's biggest liberal party,



The chosen: Viktor Chernomyrdin (left) and Anatoly Chubais

Yabloko, although its leader, Grigory Yavlinsky, has been fiercely critical of Mr Yeltsin and will drive a tough bargain.

The shake-up is evidence that Mr Yeltsin is determined to impose his stamp of authority after eight months in which he was sidelined by ill-health, leaving policy in the hands of Mr Chubais, the president's daughter, Tatyana, and a coalition of banking interests.

But it also indicated that Mr Yeltsin has all but abandoned the politics of consensus. While he was ailing, Mr Chernomyrdin built bridges with the Communists and nationalists who dominate the State Duma, knowing the Kremlin might have to strike a deal with them if the president left office. But the majority of parliament despises Mr Chubais, and his ap-

pointment is a sign that Mr Yeltsin is no longer interested in peace-making.

Yesterday Valentin Yumashev, the journalist who ghost-wrote Mr Yeltsin's first autobiography, *Against The Grain*, was appointed to replace Mr Chubais as chief-of-staff to the president. But most eyes were on Mr Chubais's new role.

There appears to be a broad consensus among Western institutions that the arrival of the 41-year-old St Petersburg intellectual back in government indicates that Russia's political pendulum has swung back towards free-market reforms and tight fiscal policies. Mr Yeltsin is generally thought to have strayed from the path at times last year in an attempt to appease nationalist and anti-Western sentiment before the

presidential elections. But such a conclusion is premature. Although Mr Chubais is a liberal economist, he is also a hard-headed pragmatist with a reputation for ruthlessness and with strong links with Russia's banking interests. Moreover, Mr Yeltsin's strategy usually has much more to do with maintaining power than ideology. As a result, government has zig-zagged along, veering from policy to policy as expediency dictates.

This year, Mr Yeltsin has no election to worry about, so he may try to be more consistent. This will be difficult. In his address to parliament last week he outlined an agenda which included overhauling the tax code, pensions, the budget, housing subsidies, natural monopolies, and the military. But there are practical obstacles — from overwhelming red tape and corruption to powerful lobbies who have got rich quick in the new Russia, and will resist anything that threatens their interests.

Moreover, election or not, he would be unwise to ignore the groundswell of resentment caused by Russia's economic disaster. This has deepened with the onset of Mr Chubais's appointment. He is loathed for his role in Russia's huge privatisation programme between 1992 and 1994, which many complain handed state assets over to a chosen few, at the expense of the population.



Mask of uniformity: Green Party deputies — masked to give them identical appearance — sit in protest at the European Parliament, in Strasbourg, during a debate on cloning experiments yesterday. Photograph: Christian Lutz/AP



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Britons urged to flee unrest in Albania

Agencies — The Foreign Office yesterday urged all British nationals to leave Albania, as the rebellion spread to the north of the country.

In a message broadcast on the BBC World Service, the Foreign Office said the longer the delay, the more difficult and dangerous any departure might become. Eighty to 100 British nationals are believed to be working in northern Albania, away from the serious troubles in the south, where security has worsened.

"All British nationals should tell the British Embassy in Tirana what they intend to do," the Foreign Office said. "At the moment, most commercial airlines and ferry companies are operating normally, but this may change."

It urged all British nationals to leave Albania "by the first available commercial means." The list of those in Albania included journalists, aid workers, businessmen and "one or two intrepid tourists".

The British charity Childreo in Distress, which operates a children's hospital in Saranda, southern Albania, said that it had withdrawn all British and Irish staff. The hospital now has no children left in its wards.

Albania's president, Sali Berisha, said yesterday that he had appointed a new prime minister, Bashkim Fino, an economist from the southern town of Gjirokastra and a member of the main opposition Socialist Party, replacing Aleksander Meksi, a member of the ruling Democratic Party, who resigned last month as the unrest erupted.

The appointment of a member of the Socialist Party to the premiership was seen as a concession to the opposition, although they have little or no influence over the highly-localised rebel groups in the south.

Mr Berisha told Italy that a new government would be formed within 24 hours, the Italian Foreign Ministry said.

The president, his ruling Democratic Party and nine opposition parties signed an accord at the weekend to establish a national unity government and hold early elections by June in an attempt to find a political solution to the insurrection.

Political parties in Tirana agreed on Monday to split cabinet posts evenly between the Democratic Party and the opposition. However, the two sides have been deadlocked on who gets the key portfolios, political sources said.

The country's armed unrest spread from the south yesterday, with residents of a major town north of Tirana saying insurgents there have raided a military base and carted away weapons and ammunition.

A man identifying himself as the mayor of Bajram Curri said in a telephone call that insurgents took "a lot" of arms and munitions from the base in the town, 135 miles north of the capital, in a morning raid.

Public takes revenge as stun belt shocks convicts into line

Rupert Cornwell
Washington

America's passion for punishing criminals and high technology knows few bounds. The death penalty has been embellished with the gas chamber, the electric chair and most recently, lethal injections. Now comes another new variation on an old theme: the electrically controlled chain gang.

After a 30-year interval, shackled gangs of convicts have lately reappeared on the public highways or stone quarries of half a dozen US states — so

to an angry public's insistence that criminals are not only punished, but are visibly humiliated as well. Hitherto, however, prisoners have been chained in the traditional way, either to each other, or individually by the ankles with a chain too short to allow them to run. Armed guards make sure the men do not fight or attempt to escape.

Soon, however, this technology may be obsolete. Starting next month, the prison authorities in Queen Anne's county, Maryland, 50 miles east of Washington, may send out chain gangs controlled not by

metal fetters but a fearsome device called a stun belt, that leaves its victims writhing on the ground in agony.

Tired to individual prisoners, the belt comes with two prongs and a battery. From 100 yards away a guard merely has to push a button to send a 50,000 volt surge for up to eight seconds through a prisoner's body. A very low amperage means the charge is not fatal. But it incapacitates for up to 10 minutes, completely overriding the neuro-muscular system and causing loss of control of bladder and bowels.

Stun Tech Inc, the Cleveland firm which makes them, has already sold 1,100 belts to prisons and the federal marshals service, and so desecrated are they by prisoners that they have been activated on only 14 of the 30,000 occasions they have been worn.

Amnesty International and other human rights groups have tried to have the belts banned as "cruel, degrading and inhuman" and possible instruments of torture, but in vain. Not only do stun belts work, they also save money. Though they cost \$600 to \$700 (£375-£437) apiece, the reduced need for guards more than recoups that outlay.

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Chill that sundered the world into two

Fifty years ago today, a conflict that had been rumbling for years turned into a full-scale war. But this was not a normal confrontation: this was the Cold War, the ideological, military and political divide that dominated the second half of the 20th century.

It fell to President Harry S. Truman to launch the US response to Soviet expansionism, after two years of growing tensions. He announced Washington would "support free people who are resisting attempted subjugation by armed minorities or by outside pressures". The implications were huge: the US would abrogate the isolationism that had governed its foreign policy before the Second World War, and into which it had started to retreat; and it would join in a global conflict with the Soviet Union. "I would not recommend it except that the alternative is much more serious," said the president.

Truman's rallying cry led to Marshall aid, the huge programme of economic assistance to Europe; to the formation of the North Atlantic Treaty Organisation in 1949, the defence pact that linked America to Europe; and the return of US troops to Europe.

None of this was a foregone conclusion in 1947. After the Second World War ended, there had been a period of uncertainty between the West and the Soviet Union, which had been, after all, a wartime ally. America tried a variety of approaches, but Russia was aggressively promoting communism in Eastern Europe and a confrontation was building up.

Truman's words were to some extent prompted by Britain, then a major power. Britain had been providing military and economic assistance to Greece and Turkey, both threatened (in the view of the West)



In the first of a series of articles Andrew Marshall looks back fifty years to Truman

by Communist subversion. But the disastrous winter of 1946-47 and Britain's economic collapse led it to withdraw this in early 1947. America was stepping in to fill the gap left by Britain, an event repeated many times over the following decades.

The underpinnings for a tougher stance had already been laid by diplomats in Moscow who believed the Soviet Union could not be restrained in conventional diplomatic ways. George Kennan of the State Department, and Sir Frank Roberts, Britain's ambassador in Moscow, had both written long analyses of the situation, and reached similar conclusions. The result was the policy of "containment", which the West maintained for 40 years.

The Cold War's end has left a security vacuum in Europe. Nato is trying to fill it by expanding. Russia, resists and warns of a new Cold War. Some in the West are warning that the new threat is China, or Islam. But no great issue has emerged to replicate the global struggle between West and East.

The institutions that flowed from Truman's speech, US forces in Europe and the transatlantic alliance, are still there; but for how much longer?



Exasperation: A US newspaper cartoon from the late 1940s illustrates the US block on Soviet expansionism

Post-KGB spies keep the old flag flying

Phil Reeves
Moscow

It is smaller and more discreet than in its Cold War hey-day, but Russia's replacement for the KGB, broken up in 1991, is still very much in business, and has an estimated tens of thousands of employees to prove it.

Nor does it make much secret of that fact. Only a few months ago, Nikolai Kovalyov, head of the Federal Security Service, boasted that the service was monitoring 400 foreign spies and 39 locally recruited Russian spies.

The agency, known as the FSB, has an estimated 75,000 employees which, though small when compared with the network of the KGB of 400,000 agents in the mid-Eighties, is still a considerable force, and one which includes elite armed forces.

Still based at the Lubyanka in central Moscow, the security services play a diminished role in the daily life of most Russians, and have switched their focus to embrace the conditions in post-Soviet Russia - for instance, the mafia, new technology, weapons-smuggling and industrial espionage. Yet, particularly in more backward regions, they remain powerful and occasionally intrusive.

In the past few years, there have been increasing warnings that - despite hefty budgets and staff cuts - the Russian security services are regaining their strength. The head of Germany's counter-intelligence service, Hans-Joerg Geiger, last year accused Russia of espionage of Cold War proportions, claiming that KGB-type spies were working under the guise of businessmen. And British parliamentary committees have, on several occasions, complained about an increase in Russian spying. Last month MPs warned of the risk that Russians would infiltrate the security services by preying on impoverished agents.

The FSB has, however, also suffered some major setbacks, particularly in Chechnya. The security services ran the war and eventually suffered the humiliation of seeing Moscow's troops withdraw.

Its influence on the Kremlin - once huge - has fallen off with the ousting of several hardline generals. Last month, Boris Yeltsin, the Russian President, fired the FSB's deputy director Colonel General Vasily Trofimov, accusing him of financial irregularities. He was reported to be involved in an investigation into a scandal in which two of the President's campaign officials were caught leaving the White House with \$500,000 (£312,000), just before last year's presidential election.

Shortly before that sacking came news that two FSB officers had been detained for suspected drug trafficking. Even last year's spying row with Britain was far from an outright triumph for the service; it had wanted nine British expulsions, but - under pressure from the Russian Foreign Ministry - settled for four.

China connection snags CIA chief

Rupert Cornwell
Washington

President Bill Clinton's former national security adviser, Anthony Lake, yesterday finally embarked on his bitterly contested and much delayed Senate confirmation hearings to be head of the Central Intelligence Agency - only to become the newest feature act in the great campaign fundraising scandal which currently grips Washington.

From the outset, Mr Lake's path to the CIA directorship has been strewn with boulders, ranging from the personal animosity of Richard Shelby, the Alabama Republican who heads the Intelligence Committee, to charges he misled Congress on allowing Iranian aid to the Bosnian Muslims in 1994.

But these objections may pale beside questioning of Mr Lake over his

handling - or his failure to handle - the "China connection", and the warnings voiced by the FBI that Peking, directly or indirectly, was trying to channel money to the Clinton-Gore re-election campaign and various Congressional races in 1996.

That controversy reached fever-pitch on Monday when the White House and the FBI clashed publicly over accusations that the bureau had informed the White House of its suspicions, but instructed officials on the National Security Council, chaired by Mr Lake, that the President should not be told. "The President should know," Mr Clinton declared - only for the FBI to issue an astonishing public statement contradicting him, and insisting it had placed no restrictions on who should be informed of what China might be up to.

But even if Mr Lake is certain of a grilling during his scheduled six days

testimony, the fact that the hearings are even taking place is a notable victory. For two months Mr Shelby blocked them, hoping he would force Mr Clinton to withdraw the nomination. In the end, however, the Alabama Senator had to yield as several Republicans as well as Democrats insisted Mr Lake should have the chance to plead his case.

Indeed, baring major surprises, he should be confirmed. Two of the 11 Republicans on the 20-strong committee have already said they would support him, ensuring a majority, and the full Senate should follow suit.

If he does win the job, Mr Lake would be the agency's fifth director in as many turbulent years, a period which saw the devastating Ames affair, charges that it discriminated against women, and growing doubt on Capitol Hill whether post-Cold War America needs a CIA at all.

The needs of the CIA, on the other hand, could not be clearer: strong, steady and stable leadership to restore battered morale and prestige, and a director who understands the world of intelligence and has unquestioned access to, and influence on, the President.

On the last two counts at least, Mr Lake qualifies without argument. Discreet as a symphony should be, he was probably Mr Clinton's closest foreign policy adviser during his first term.

The more valid objections are different - that Mr Lake's past involvement with policy-making render him incapable of providing the objective and sometimes unwelcome information and analysis to the White House that is the CIA's prime task, and that he lacks the management experience of running the unwieldy \$30bn bureaucracy which is the US intelligence establishment.

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The main parties need a deeper shade of green

There is mayhem on the M42 and the usual suspects are paraded – motorists' love of their cars, the false sense of control and security imparted by a metal box 15mm thick, selfishness on wheels, the permanent British ability to be surprised by the inherently changeable weather patterns of these islands. It does not do to over-elaborate the causes of such accidents. Stupidity and ghoulishness account for a lot. But traffic incidents do not occur out of the blue. Understanding road use takes us, almost immediately, into discussing road building, the car culture, how it has affected the physical lay-out of town and country and the availability of public transport. These are all "environmental" policies.

Turn the pages of this newspaper: we are a nation beset with environmental concerns. The dry winter will lead to water and vegetable supply problems in the summer, with effects for business and leisure as well as the comfort of domestic life. The safe disposal of diseased carcasses seems too difficult for government to manage. Air quality is dangerously poor in some cities. Everywhere we are embroiled in arguments which are directly environmental, and others (rail privatisation, engagements with the World Trade Organisation) which affect our use of resources and our physical environment. Even fiscal wheezes such as the imposition of VAT on fuel show the interconnectedness of

local and household decisions about consumption, with the bigger politics of scarcity and atmospheric degradation.

But if we have environmental scares and are sunk in environmental gloom, what we don't have much of is environmental politics. John Major and Tony Blair give ritualistic speeches, yes, but decisions by the wielders of power (or those who aspire to hold it) are not informed by any special or consistent environmental awareness.

In that, perhaps, they are not out of kilter with the public. Our worries about the planet, and these small green-and-concrete islands in particular, have not produced any sustained environmental pressure. The roads and animal rights demonstrators are tiny guerrilla bands in an ocean of apathy. Some ministers (notably John Gummer) make high-toned speeches of global impact about how people should change their ways. But so far as the focus groups and the swing voters of Middle England go, they show little inclination to do so. Whether they live in Worcester or Basildon, people are – politically speaking – unconcerned with matters green.

The unveiling yesterday by the Green Party of its manifesto for the forthcoming election is unlikely to change that. They are a fringe diversion, a splintered electoral nothing. Compare Germany, where the Greens are a political presence, locally and nationally – there is even talk of their being the pivot of a



new ruling coalition. In Britain, after that blip in Green Party performance in the 1989 European Parliament elections, they virtually disappeared. Greens hold a handful of council seats and, though they are contesting four-score parliamentary seats, their percentages are likely to be risible.

The reasons are not hard to find. Fringe political groups are centrifugal; the Greens have more than their share of fanatics and messiahs. We find fundamentalism no more attractive in green than any other colour. Ordinary British people do not take kindly to being lectured at by the self-declared

possessors of virtue. And yes, the Greens do suffer from the unfair British electoral system (though on present numbers they would not necessarily pass the likely threshold tests of most schemes for proportional representation).

Of course, the Greens may yet claim the future. Who knows... perhaps after a Blair government has been in office for a term and enacted measures for constitutional change, the political landscape will open wide and through the fissures will come new movements. Perhaps, as some argue, the green political movement is comparable with, say, the Independent Labour Party of the

1890s, a sect developing advanced thoughts in isolation from the parliamentary mainstream only to come into its own within a decade. Greens have no solid social base like the trade unions, but the green rallying cry might be taken up by some social formation yet to cohere – young people always respond enthusiastically to opinion poll questions on the environment, and might in their thirties come to vote that way.

Meanwhile, the organisational weakness of the green tendency in Britain ought to be a source of regret. Single-issue parties tend to make bad governments but as candidates, ever threatening to succeed but never quite making it, they can be immensely valuable in keeping the mainstream parties thoughtful and honest. The task ahead is to fit environmental concern with other priorities: there is no point pretending people's wish for better incomes, more jobs and the enhanced economic growth on which they depend is somehow going to be dissipated in a green haze. So, for the time being, the best deliverers of environmental progress will be political parties with a broad social and policy base.

The question is how to prod and push them. The environmental utopianism personified by Swampy and his tunnelling and tree-climbing pals only goes so far. What we need is old-fashioned political leadership by MPs who are able to lift their sights, and by speaking well and often, lift our sights too. It is sad

Business finds its voice on Europe

At last, British business is speaking up on European union, the single currency and the Government's broken-backed approach to Europe. For too long the views of trading companies have gone unheard – as if they did not have an interest in decisions about money and markets. The running has been made by questionably representative organisations such as the Institute of Directors. "Anti-European sentiment" as Sir Colin Marshall coyly puts it, has been allowed to flourish partly because his and his colleagues' voices have been hushed. The European debate is stilted and incomplete without the traders and deal makers.

LETTERS TO THE EDITOR

Chance to end the culture of cover-ups

Sir: The revelation (7 March) of the failure of the Ministry of Agriculture to publish a report compiled two years ago which told of abattoirs that contained carcasses soiled with excrement and urine represents another nail in the Government's DIY coffin. Although this oversight is only the latest episode in the catalogue of cover-ups that has characterised the Tory administration in recent times, it is also demonstrative of a rotteness festering at the heart of government – a culture of denial. Witness Nicholas Soames's cornered-animal behaviour over the use of organophosphates in the Gulf war.

Although the economy is poised to deliver prosperity the culture of cover-up and denial, adopted to protect the Conservatives' integrity, has in fact done the exact opposite. It has been seen for what it really is: an arrogant disrespect for democracy and the people of this country. This has had a profound effect on the electorate.

My only fear is that this culture may prove endemic to the British system of government and not one particular party. Labour, if they win, must prove otherwise, and this will be expedited by the implementation of a Freedom of Information Act.

PAUL CUMBERLAND
Faculty of Social and
Political Sciences
University of Cambridge

Sir: The idea of a merger between Labour and the Liberal Democrats (Donald Macintyre, 7 March) may be driven by the Labour drive for omnipotence, but the reason it won't happen is precisely because of our very different attitudes to power, which Labour members find difficult to understand, almost touchingly so.

Uniquely, Liberals are motivated by a desire to disperse and control power. Conservatives have traditionally been happy for power to be concentrated according to wealth. The reason they lost their way is that Thatcherism concentrated power in the state, which disorientated them. Socialists have always wanted power collectivised and centralised, usually in the state. The abandonment of that analysis leaves Labour philosophically floundering too, but its legacy is the social authoritarianism of Straw and the corruption of the local one-party state.

It is no accident that it is Liberal Democrats, not Conservatives, who are the main challengers to Labour rule in the rule-by-patronage fiefdoms such as Lambeth, Liverpool, Sheffield and Islington. We have a guiding motivation that Tories lack, which is a hatred of the concentration of power that has left poor people dependent on an inefficient and self-interested rotten borough.

When we take power in these deprived areas, our priority is to give back to people the power over their own lives which Labour has arrogated to itself. It is not tribalism that makes us oppose Labour, but a fundamental difference in our agenda. Councillor SARAH LUDFORD (Liberal Democrat, Islington) London N1

Sir: James Scott, while deploring racism, is quite happy to indulge in stereotyping (letter, 8 March). "Think," he writes, "of all those Labour voters in northern working



Spoil us for pub choice

Sir: It is good to see Jonathan Glancey joining in the celebration of the careful and respectful conversion of the Commercial Rooms in Bristol to pub usage ("A renaissance down the booze", 7 March).

However, in taking Camra and English Heritage to task for being perhaps a bit out of touch and exhorting them to "cast their net a little wider when judging next year's pub design awards", he has not appreciated the way in which the joint awards scheme operates.

It may be that the country, led by London, is awash with good-quality refurbishment and new-build schemes, but the awards, which are annual, are only for refurbishment projects completed during the previous year. Of these, the judges were faced with the thinnest selection for many years.

EH and Camra invite anyone involved in, or aware of, good work in existing pubs, or the creation of new pubs, to submit entries for the various award categories. We would be happy to supply entry forms to any *Independent* readers who have pubs to nominate for next year's awards. We would love to be spoiled for choice. BOB HAWKINS
English Heritage
23 Savile Row
London W1X 1AB

Sir: I do not see how you can "design" a pub ("A renaissance down the booze", 7 March). Certainly, the "Phil" in Liverpool is a spectacular building, but that has nothing to do with its qualities as a pub. People make a pub what it is.

Some of my favourite pubs have less than perfect beer, no food other than snacks, fake beams, television sets and bright lights, but they are wonderful pubs nevertheless, because of the people who use them.

Even "bores bulging from cheap suits" make a contribution, as the regulars realise with pleasure – or *schadenfreude* – that an unsuspecting stranger has entered into what is destined to be a very one-sided conversation. DAVE FOY
St Helens, Merseyside

Drain plagiarist?

Sir: The points of correspondence between Graham Swift's *Law* and *Orders* and William Faulkner's *As I Lay Dying* ("Booker man hits back at accusers", 10 March) prompted me to take a critical look at Mr Swift's *Waterland*, a novel set in the fenland area of East Anglia.

I am amazed to find that the structure, page numbers and title headings are in all respects similar to the annual report of the Little Ouse Internal Drainage Board for 1989, which was runner-up in the non-fiction section of the competition run by the Institute of Drainage for that year. GRAHAM HARRISON
Bath

My BT bonus

Sir: Let me comment on speculation in *The Independent* about my potential bonus for 1996/7 (report, 10 March). There is no chance of my being offered a sum approaching £500,000 as a bonus. Just for the record, if I were, I would not accept it. IAIN VALLANCE
Chairman, BT
London EC1

men's clubs guffawing along with Bernard Manning.

For a start, Mr Scott, we don't guffaw up here, we laugh.

Secondly, any idea that working men's clubs are full of Labour voters is extremely simplistic. Would that it were true. Had it been, we wouldn't have had this motley crew of spivs and second-hand-car salesmen running the country for the last 18 years. Working men and women have traditionally been their own worst enemies and have voted Conservative as regularly and as blindly as the best-educated Buckinghamshire dweller, voting with their pockets and purses for the party that they imagined would fill them.

Ah well I'm off to oil the whippets and put some more tripe in me flat 'at before going off to 't' club to hear some dorkie jokes. MIKE HARDING
Manchester

The writer is a stand-up comedian

Kids to support? Apply to Cardinal

Sir: I am delighted to hear that the Archbishop of Glasgow, Cardinal Thomas Winning, has decided to give practical assistance to all those who decide against an abortion, if the reason for the original decision was based on financial considerations (report, 10 March).

May I suggest that this approach be extended to contraception, another aspect of family life which the Cardinal can be assumed to oppose, as he must naturally support the Pope's teaching. Anyone who decides against the use of contraception, but cannot

support the children conceived thereafter, should apply to the Archbishop for practical support. I am sure that the financial means will be provided generously by those few Catholics who still agree with the papal teaching against artificial contraception. FRANK J PYCROFT
Secretary
Catholics for a Changing Church
London SE13

Jail us instead of Kurdish MP

Sir: We write to you on International Women's Day to draw your urgent attention to the plight of the imprisoned Kurdish MP Leyla Zana.

It is now more than two years since the shameful sentences were passed against Leyla Zana and six other Kurdish MPs. Failing to secure a death sentence because of national and international protests, the state prosecutor was able to get the court to sentence Leyla to an incredible 15 years in prison.

Leyla Zana was convicted because of her singular devotion to the cause of freedom and peace for the Kurdish people. Despite the threat of torture and persecution, she courageously continued her struggle for a political solution of the Kurdish conflict as well as for recognition of the Kurdish identity and language and the liberation of Kurdish women.

She was the first Kurdish woman MP to be elected, in the city of

Diyarbakir, to serve in the Turkish parliament. But her tenure as an MP was cut short when she was arrested by police on 5 March 1994 after the Turkish MPs voted to lift her parliamentary immunity and that of other Kurdish deputies.

World-wide protests from women, including Danielle Mitterrand, as well as appeals, demonstrations and hunger strikes have so far failed to move the Turkish government to release her.

We demand that the Turkish government immediately release Leyla Zana and the other Kurdish MPs and restore their parliamentary immunity. In exchange for one day of provisional liberty for Leyla Zana we declare our readiness to spend the same day in jail in Turkey.

PAULINE GREEN MEP (London North, Lab/Co-op)
ANITA POLLACK MEP (London South West, Lab)
CHRISTINE CRAWLEY MEP (Birmingham East, Lab)
CAROLE TONGUE MEP (London East, Lab)
JENNY JONES
Chair of Green Party UK
VICTORIA BRITAIN; LOUISE CHRISTIAN; FRANCES WEBBER; GARETH PEIRCE; SHERI LAIZER; CLARA CONNOLLY; ANN ROSSITER; FRAN HAZLETON; NICKI JAMESON; MIRANDA WATSON; LIB PECK; SUSAN PITTS; NATALIA TARI; R TAMI; LESLEY KLING; NAZANEEN RASHEED; YVETTE MAHON; A JONES; RABBI MARGARET JACOBI; CHRISTINE HEVEY

Family tree of Prince William

Sir: Paul Valley ("The cost of the royal snub to Carey", 10 March) may be right to describe Henry VIII as the founder of the church into which Prince William has been confirmed, but he is wrong to describe Henry as the Prince's ancestor.

Henry VIII was succeeded by three surviving children: Edward VI, Mary I and Elizabeth I; but when Elizabeth died in 1603 the throne of England passed to the descendants of Henry's elder sister Margaret and her husband, James V of Scotland.

On the other hand, Prince William can claim as ancestors the (anti-) pope Felix V and such royal figures as St Margaret of Scotland, St Louis IX of France, and St Fernando III of Castile and Leon. And he can probably also claim descent from Genghis Khan – a fitting replacement for Henry VIII? ERIC THOMPSON
London NW2

Charity cards

Sir: Contrary to the impression given by Jojo Moyes in her article "Card retailers are charity Scrooges" (18 December), Roger la Borde (and lots of other small greetings card publishers) give a much higher proportion of their profits on Christmas card packs to charity than the much-vaunted 30 pence in the pound demanded by

Nigel Griffiths, the Labour consumer affairs spokesman.

Small publishers and retailers make far less profit on Christmas cards than multiple retailers, who can reduce costs by printing huge quantities and selling through their own outlets. Criticising small publishers and independent retailers for giving smaller proportions of the retail price to charity than large chains such as WH Smith is like criticising one person for giving you only half of their jam tart while praising another for giving you a slice of their cake. TIM SOLNICK
Roger la Borde
London NW6

Smoking risks

Sir: Lynne Reid Banks is talking nonsense (letter, 8 March). Some smokers did feel that smoking was bad for them, but it is only recently that there has been proof of the devastating damage cigarettes cause. Why else has the number of doctors who smoked plummeted since the Sixties? HELEN MILLER
Glasgow

Off your trolley

Sir: The photomontage of Westminster in your front-page story "Mr Brown and the strange case of those serial political assassinations" (11 March) juxtaposes the shadow Chancellor with an old-style London tram on route 16 to Croydon. Surely some mistake? DAVID ORCHARD
Reading

analysis

Stanleyville, VS Naipauls' colonial town on the Congo, is set to be taken by Zaire's 'liberators' 30 years after their first attempt, says Richard Gott

As Laurent Kabila's rebel forces march towards Kisangani, the third-largest town in Zaire, the world is beginning to wake up to the fact that one of the most important countries in Africa is about to change hands. For much of the past six months, while the Zaire rebellion has been maturing, attention has remained focused on one of the more insignificant countries – on the drama and tragedy associated with Rwanda. Now the future of Zaire itself is finally at the top of the agenda.

Readers wondering why the fall of Kisangani might be such a key development will understand better if reminded of its ebb and flow. Just as Zaire used to be called the Congo (and is to be called that again when Kabila's Alliance of Democratic Forces for the Liberation of the Congo wins the current war), so Kisangani was once called Stanleyville. The old name must still evoke a curious flood of memories in the West – of colonial adventures, missionaries and mercenaries, and Cold War entanglements. It is a measure of how the world has changed over the past 30 years that the future of the Congo/Zaire should now be seen to be of such little moment.

In November 1964, only just elected as Britain's prime minister and without a foreign secretary in parliament, Harold Wilson authorised the use of the British military base on Ascension Island in the South Atlantic for a special mission. It was to serve as a launching-pad for a successful US-Belgian attempt to turn the tide of a civil war in the Congo in which the fate of the world



History of violence: In 1961 Belgian troops were put on show by Congo rebels before being brutally beaten up

Photograph: Popperfoto

A bend in the river, a twist of history



seemed to hang in the balance. On 24 November, 600 Belgian paratroops, flown in from Ascension Island on transport planes supplied by the United States, captured Stanleyville airport, and linked up with mercenaries from South Africa and Rhodesia fighting for the government army of Moïse Tshombe. Their official aim was to rescue European hostages held in the town.

Stanleyville, an attractive colonial riverine city, was established in the early 1880s by Henry Stanley, the American journalist (and later a British MP). It became the heartland of Congolese radicalism, home town of Patrice Lumumba, the leader of the Congo at the time of independence from Belgium in 1960. Lumumba, backed by the Rus-

sians, was murdered early in 1961, after the first trial of strength with Tshombe, backed by the West, during which the United Nations looked impotently on.

Lumumba's name was to be opportunistically used by the Russians for their newly-established university for Third World students in Moscow, and in 1964 his statue stood in the centre of Stanleyville.

In August that year, as is happening today, the town was captured by rebels fighting in the Lumumbist cause. There they established for several months the headquarters of the "People's Republic of the Congo", led by Christophe Gbenye, a politician formerly in Lumumba's government, in the great Cold War battle for victory in recently decolonised

Africa, the Communists seemed to be forging ahead. The left-wing rebels had done well that year. Pierre Mulele, another old Lumumbist, had moved in from Congo-Brazzaville and seized much territory in the west, while Gaston Soumaliot and Laurent Kabila – then a young French-educated politician from northern Katanga – had advanced from Burundi into the eastern Congo, west of Lake Tanganyika (just where Kabila has again been operating so successfully). With the capture of Stanleyville in August 1964, much of the country was in rebel hands.

The United Nations, which had had troops in the Congo for four years and was suffering from Congo fatigue, had withdrawn them in June. The Chinese, still denied membership of the UN, had been taking an interest in supporting Mulele. The Russians, still refusing to pay their share of the UN's Congo expedition, were backing Soumaliot and Kabila.

Soon the diplomatic recognition extended to Gbenye's "People's Republic" by many radical African states was to set the scene for one of the typical confrontations "by proxy" of the Cold War. The Russians and the Chinese now openly supported Gbenye's rebel government, while the Americans and the West gave military aid

and succour to the government in the capital, Leopoldville (now Kinshasa), of Tshombe (who had seized power in July) and his commander-in-chief, Colonel Joseph Mobutu.

For several months, as Tshombe's white mercenary army was assembled and trained and began to advance from the south towards Stanleyville, there was a propaganda war. In Stanleyville itself, the rebels spread news of an American "atomic attack" on a town to the north, and held two days of mourning for the "victims". At the same time, Nicolas Olonga, the rebel military commander in Stanleyville, and his "Simba" troops, became globally famous for what were considered their "atrocities".

Because the "white" West was supporting Tshombe, Olonga's men began to round up the Belgians and the North Americans in the local white community in the Stanleyville area. Mostly businessmen and Protestant missionaries, they were, of course, regarded as untrustworthy. Some of the North Americans had been brought up on the stories of the famous massacre of Protestant missionaries in Ecuador in the Fifties, and had a highly developed sense of impending martyrdom. Many of them were rounded up by

the Simbas, detained, ill-treated, and then held as hostages. (Among the old European population, the Golems were left unmolested – to feed the others in the goal.)

As Tshombe's mercenary army closed in on Stanleyville in November, the Americans feared that their hostage missionaries would be killed. They devised a rescue operation, to coincide with the arrival of the mercenary army, that would send in Belgian snatch-teams to lift out the hostages.

It was the longest long-range parachute operation ever undertaken, and, as in other similar cases, it was only partially successful. The paratroopers landed, the airport was seized, and several missionaries and their families were rescued. But many were inevitably killed in the ensuing chaos. The death toll as the rebel city fell to the mercenaries was large: more than 200 Europeans and hundreds of Africans.

VS Naipaul, in his novel *A Bend in the River*, describes Stanleyville in the aftermath of the rebellion. "The place had been the town at the bend in the river was more than half destroyed. What had been the European suburb near the rapids had been burnt down, and bush had grown over the ruins; it was hard to distinguish what had been gardens from what had been streets."

The result of the Stanleyville operation – a textbook example of overt Western intervention – was further to unite the radical African states – notably Algeria, Egypt, Guinea, and Ghana – in favour of the anti-Tshombe forces. They promised to back up their words with military assistance, as did the Russians and the Chinese.

A surprising player then entered the lists. Just as the Americans had provided Cuban mercenaries (left over from the Bay of Pigs in 1961) to fly Tshombe's planes, so Fidel Castro was now to send his own Cubans to help the Congolese rebels. In December 1964, Che Guevara went to the United Nations in New York to denounce the crime at Stanleyville, perpetrated by "Belgian paratroopers, transported by United States aircraft, which took off from British bases". A few months later, in April 1965, he arrived with a trained troop of black Cubans to join Kabila's motley collection of Congo fighters.

But by that time, General Mobutu's mercenary army had already got the upper hand. The Congolese rebels failed even to get near to Stanleyville, let alone to recapture it. Within a few months, Kabila's men were defeated on many fronts. They lost on the battlefield to the mercenaries, and they lost the political struggle as a result

of the internal dissensions. Both losses led them to lose the support of their international allies. General Mobutu staged a coup against Tshombe at the end of 1965, and has remained in power ever since.

More than three decades later, the situation could hardly be more different. The distortions of the Cold War have fallen away. The "radical" African states have all disappeared, as has the Soviet Union itself, and the threat of Chinese intervention. Che Guevara and Tshombe are long dead. Only Castro and Mobutu remain – and Laurent Kabila.

Although there is considerable disagreement between the United States and France about what should happen in what will undoubtedly soon again be called the Congo, the chief international players are now the governments of the surrounding states.

Here Laurent Kabila has played his hand with consummate skill, and President Mobutu's position is correspondingly weak. Starting with the firm support of Yoweri Museveni in Uganda, Kabila has also had the backing of the Luanda government in Angola. They have long opposed President Mobutu because of his ancient friendship with Jonas Savimbi, the leader of the Unita rebels. While Uganda helped to organise, train, and discipline Kabila's rebels into an effective force, the Angolans have reportedly been flying in both men and weapons to Kabila's liberated zone on the Tanzanian border. One diplomatic report even suggests that a rebel Zairean force is already assembling in the Angolan enclave of Cabinda, poised to move on Kinshasa at any moment.

In all these developments, the old protagonists of the Cold War have been conspicuous by their absence. General Mobutu is convalescing in Southern France, but planning a return this week. He belongs to that old generation of dictators, east and west, who were kept in power by the immobility of that frozen era. He will soon go to join Ferdinand Marcos and Alfredo Stroessner in that part of Valhalla set aside for dictators distinguished by their longevity and finally dropped by their patrons. The Americans, for their part, take an intelligent interest in what is going on, but show no signs of propping up their old ally. No one, this time, has put Ascension Island on alert.

As the heirs to the legacy of Patrice Lumumba, Kabila's men now stand once again at the gates of the old, decrepit town of Stanleyville – where, doubtless, as everywhere else, they will be greeted this time as liberators. Kabila could certainly run a decent post-Mobutu Congo, though no one thinks it would be particularly radical. That era is over. Yet it will be a strange twist of history, a Long March indeed – if Che Guevara's old companion-in-arms finally gets to control the Congo – more than 30 years after his first attempt.

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What's in a surname? Ask the doctor

I am glad to welcome back Dr Vernon Monicker, the well-known expert on the origin of surnames, who is going to answer all your questions on nomenclature. All yours, Vern!

I recently saw the classic film "The Last Weekend" on television, which as you will remember is the film made by Billy Wilder about an alcoholic writer and his suffering, and it got me to thinking seriously about things.

Dr Vernon Monicker writes: I am not really qualified to talk about medical matters such as alcohol addiction. Although I call myself a doctor, I am no more a real doctor than other people who call themselves doctor such as Mawhiney and Paisley. No, I wasn't going to talk about the alcoholism side of things. I was just mystified by the name of the lead actor, Ray Milland. Have you any idea where it comes from? Dr Vernon Monicker writes: I believe it is short for Raymond.

I was thinking of the surname Milland. Would it be a corruption of the Italian place name Milan?

Dr Vernon Monicker writes: Unlikely, considering that the Italian place name is Milano and there is no "d" on the end. Yes, wise guy, but there is in German. The German word for Milan is "Mailand", which may have given the surname "Milland".

Dr Vernon Monicker writes: Unlikely, Mr Show-off. Far more likely that Milland is a shortened form of "Mill hand". Don't forget that many surnames refer to the occupation of the ancestor. It is sometimes said that any football team or government cabinet will contain the names of at least two occupations in it. Said by whom?

Dr Vernon Monicker writes: By me, actually. Go on then, give me the names of two occupations in the English football team! Dr Vernon Monicker writes: Alan Shearer. Go on!

Dr Vernon Monicker writes:



Myles Kington

David Seaman. Oh, very clever. Any more? Dr Vernon Monicker writes: Certainly, Des Walker. Matt Le Tissier... They're not occupations! Dr Vernon Monicker writes: Certainly they are. Walker was the name given to the man who trampled the cloth in cloth-making, and "tissier" is an old Jersey French dialect word for "weaver". Extraordinary, really, that three people who have recently been in

the England football team should have names connected with the cloth trade.

Make it easier to change the team strip! Dr Vernon Monicker writes: No doubt.

All right, what about government cabinets? Anyone with an occupational handle in the cabinet?

Dr Vernon Monicker writes: Clarke. Gummer. Major... Of course, it used to be more striking when both main party leaders had occupational names. Smith and Thatcher. But even today there is another party leader with an occupational name.

Oh yeah? What kind of work does an ashdown do, then? Dr Vernon Monicker writes: I was thinking of a man called Goldsmith, actually. Who has recently been joined by a man called Gardiner. All names of jobs. To change the subject a bit, I noticed that James Dellingle in "The Spectator" recently said that as his name began with a

"De", it was probably Norman in origin. Any truth in that?

Dr Vernon Monicker writes: If there was a place in Normandy called Lingpole, it might be true. Some old Norman names do begin with "De", like Delaware, but I think you would be hard pushed to find Norman origins for Delfont, Denmark and Dexter.

Marmaduke Hussey has an old Norman name, by the way, which comes from the Norman place La Houssaye. And there is a place in Normandy called Venables, so I expect that Terry Venables's forebears came across with the Conqueror, probably on a free transfer. Is the name Norman St John Steves a genuine Norman name?

Dr Vernon Monicker writes: The name is authentic enough, but I believe that the man himself is completely made up.

Dr Vernon Monicker will be back soon, so keep those queries rolling in!

The weightless economy is on track for victory

If you watched the Australian Grand Prix in Melbourne on the box last weekend and felt you would like a slice of the action, you may soon be able to have it. For the Formula One business may be floated on the stock market in May. But before you reach for your cheque books, ponder this number: £2.4bn. That is, apparently, what the business is worth.

To put that in perspective, this is more than a successful high-street retailer, such as Next or Dixons, or six times as much as Body Shop. And for that money, what do you get? You don't buy the cars or the tracks. You certainly don't buy the drivers, and they don't come cheap. What you would be buying is the brand, which happens to be owned by a single individual, Bernie Ecclestone, who built it up and now wants to sell it to the public.

What makes this brand so valuable is the global television rights. In TV terms, Formula One is an astonishingly successful phenomenon. Its 400 million viewers worldwide put it third only to the Olympics and the World Cup, which in any case only take place every four years. And a high proportion of those viewers are precisely those that TV companies find hardest to attract: young and middle-aged up-market men. As the TV industry moves into the digital age, with the prospect of a thousand or more channels, how on earth will the companies find things that have sufficient global clout to cut through the cacophony of the airwaves and attract the attention of the viewers? Answer: by buying rights to things like Formula One.

And all prospective investors would get would be rights: no factories, no shops, no physical stocks, no physical products, very few staff. It is the ultimate global weightless business, a business where the product can be reduced to string of digital computer signals, flashed round the world, and hundreds of millions of people will buy it.

This is the future – in the sense that international trade will increasingly be in intangibles. Of course there has to be some physical entity. There have to be tracks, cars and drivers in the case of Formula One, just as there have to be TVs on which to watch the Grand Prix, or for that matter personal computers on which to use the software pumped out by Microsoft. But the real value – or at least much of it, for as this paper reported yesterday there is a row between Formula One and the racing car constructors over the way the spoils should be split – is intangible.

If you bridle at the idea that world trade will increasingly be weightless, consider this. Alan Greenspan, chairman of the US Federal Reserve Board, recently pointed out that the weight of US output now is little higher than it was 100 years ago, but its value in real terms is 20 times higher. Or consider a Toyota car built



Hamish McRae

Formula One is for sale – not the cars or the tracks, but the brand. This is the most extreme example of value lying just in an idea

in the UK. The physical item has not been shipped across the oceans; the international trade is in the design and marketing, for those are the elements that have moved from Japan to Britain.

The idea that firms where the main value is in royalties or rights should be traded on the stock market is not at all new. Much of the value of pharmaceutical companies lies in their patents, and once key patents expire, the companies have to hope they have other winners in the pipeline. Much of the value of publishers is in their backlist rather than in new titles. But Formula One is perhaps the most extreme example of value lying just in an idea.

Expect in the future economic competition becoming more and more in the ability of countries to generate ideas like this. Manufacturing technology crosses national boundaries in a matter of weeks, for virtually all physical products can be taken to bits and "reverse engineered". You can gain an advantage for a while by having a brilliant product, but not for long. In any case, once the word gets round that you have a brilliant design team, expect that team to live itself off. Why should the team work for mere salaries when it can become a business in its own right, sell to a whole string of different manufacturers, and maybe even float itself as a unit at some future date?

There is a practical moral here. It is that economic prosperity for advanced, developed nations will depend not so much on the ability to make things, but more on the ability to generate ideas that can then be sold to the world. It means that originality, flair, entrepreneurship, maybe even cussedness, will be increasingly prized.

You see, all advanced developed countries are becoming the same. We will all educate people to high standards, we will all have access to the highest technology, we will all be able to raise money on the global capital markets on the same terms, and we will all have low inflation. Even our political ideas are becoming the same; compare Blair and Clinton, or look at the way privatisation has swept the world. So what differentiates us? The answer partly lies in our cultures, and in particular our ability to generate and exploit new ideas. Formula One is by no means a new idea, for people have been racing cars for more than a century, but it has been brilliantly exploited.

Indeed, coming up with ideas is only half the trick; the other half is to build businesses out of them. The key measure of the economic vitality of a nation will be the number of business start-ups. Some day we may even reach the stage where bright undergraduates achieve status not by getting a First, but by running a successful business in their spare time. Chances are that most of those businesses will weigh nothing; and just a tiny number will be worth a lot.

The teenies vote for snog 'n' run

by Peter Popham

The success of a well-known all-female British pop group in scoring four number-one hits in a row as well as hitting number one in America has led certain sad, wizened wrinklies to ask, is this not a world-historical event? Whenever, since the heyday of the Andrews Sisters or the Beverley Sisters or indeed the sainted Vernon Girls (sponsored by Vernon Pools back in the 1930s) did such a thing happen? Where are the girl groups of yesterday? Or even this year, for that matter?

A cursory inspection suggests that female groups have always been relatively thin on the ground. Our battered copy of 1963 *And All That* points to a volcanic eruption of female vocal talent at the start of the 1960s: the Crystals, the big, brassy, inimitable Phil Spector sound, then over in Detroit the Supremes, Martha and the Vandellas and the rest of the Motown stable.

Then silence. Silence for decades after decades: the Seventies, the Eighties. Somewhere in the Eighties a band called Bananarama sprang up, had a string of hits, got bad-mouthed and scorned and ridiculed, began Shakespeare's Sister. And that, until the dawn of the age of Ziga-Zigah, was about that.

It's one of the little jokes history likes to play. The Sixties comes along, sexual equality gets on to the political agenda, women begin making incursions into industry and journalism and the law; God the Father becomes "Creator God". Then just to prove that things aren't quite that simple, rock'n'roll, quintessential youth art form of the age, turns out to be the most male-dominated, male chauvinistic phenomenon since the Mongol hordes.

When female pop groups do occasionally appear, they are all too obviously manufactured, and they have the life expectancy of buttercups. Remember The Toys, anyone? Well I do, but only for one song, "Symphony of Love" (the tune was nicked from Bach). The Shirelles sang "Will You Love Me Tomorrow", which had the rare distinction of also being written by a woman (Carole King). It's a great song. But to place any of these groups in the same company as the Beatles, the Stooges or the Smiths would be absurd.

Charlotte Greig begs to differ. In her book about female groups (called *Will You Still Love Me Tomorrow?*) and published by Virago) she asserts that there were lots of girl groups making good music – Patty LaBelle and the Bluebelles is one name that springs to her mind – but the pop music press snobbishly ignored them, partly because many of the groups were black, partly because the press was infatuated with Genesis, Queen, and all things Progressive.



Taking the Spice Girls seriously is like asking how the Power Rangers will vote

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The Eighties were even worse. "When I was writing the book in the Eighties, Bananarama was the only girl group around," she says now, "and everyone was really foul about them, calling them himbos and so on."

Of course, once you start scratching around it soon becomes clear that girl groups have been around for as long as rock'n'roll has existed, but they have never done well enough to make it really big.

Historians point to the Californian group The Runaways, a glam-rock fantasy band of the Seventies, or Girlschool, a heavy metal outfit of the year after year, things for girls in pop were never going to be the same again. She bestrides the age, and one-hit wonders

there were female punk groups such as the Raincoats and the Slits, "real Notting Hill" as one fan remembers fondly; the frontwoman was a German Rastafarian called Ari Upp, daughter of a count. Yet the footnotes of musical history is where, rightly or wrongly, these acts have ended up.

Then came Madonna, and after her success, and particularly after the way she spun it out and transformed her appeal year after year, things for girls in pop were never going to be the same again. She bestrides the age, and one-hit wonders

and four-bit wonders alike creep about in her shadow. Charlotte Greig again: "Madonna was doing something a bit new, bringing a lot of hip-hop, Latino and gay disco music into the mainstream." She also popularised what one commentator styles the "roaring girl" feminism that is such a striking feature not only of the Spice Girls but also of their rivals, such as Eternal, Stampoo, En Vogue, and the new sensation from Sunderland, Kenickie. She paved the way for the "snog'n'run" culture which the Spice Girls champion, the "strange mixture", according to another observer, "of sensitivity with in-your-face assertiveness; the subliminal message of romance – you get your boy by not giving a stuff about boys. The pose is yo-yo knickers, but the reality is they're quite straight." Evidence: both Madonna and Geri Halliwell, the so-called "Sexy Spice", lost their virginity at the incredibly advanced age of 18 (and both to disc jockeys).

The general shape of the argument is becoming clear. Girlie pop (we're allowed to use such terms again, it seems) eked out a miserable half-life in the lee of the male variety for 40-odd years, but now at last has discovered the bready mix of assertion, frivolity and fun which can set it free. This is why we are right to eschew the sort of snobby attitudes brought to bear on Bananarama and the like, and instead to submit the Spice Girls' latest single to exegetical analysis as stringent as that applied to last week's Premier League matches.

There is another possible view, however. The Spice Girls' success, according to these heretics, is down to the fact that (thanks to the telly) they have tens of thousands of fans as young as four or five, for whom they are fully articulated Barbie dolls, and who badge their parents into buying the CDs. For slightly older fans, up to puberty, their dumpy looks and frumpy clothes are comformingly reminiscent of what they see in the mirror. The groups' vast success, they say, is above all a reflection of how the pop music market has fragmented into dozens of niches, among which the teeny weeny boppers may be as big as any.

Taking the Spice Girls seriously, in other words, is tantamount to enquiring how the Power Rangers are planning to vote. It is a category error. Perhaps the old contempt for bubble-gum music is ripe for a revival.

Blair needs to be more than tough

Leading a Labour cabinet will need Thatcher's steel and Major's cunning, argues Andrew Marr

How tough is Tony Blair? Well, he says he's tough. His personal attitude is consciously Thatcherite. When he spoke earlier this week about how he would run government "from the centre" and promised "uncompromising... unalterable" New Labour policies, he was echoing her. The tone, if not the policies themselves, thrills the blood of all those visceral leader-followers who felt themselves politically disenfranchised by the Major years. At the other end of the spectrum, the Labour left snarls privately about Blair's "Stalinism".

What's the truth? First, let us dispose of the idea that Blair's promise to lead from the front is a pose, or secondary to his agenda – some kind of political fashion accessory.

He means it. Gorbachev was said to have "a nice smile but iron teeth". Having heard Blair privately on the brief, bleak future that is waiting for Labour rebels or disloyal leakers, and having talked to shocked trade unionists who tried to arm-twist him and came away nursing dislocated elbows, I think Blair's famous rictus is similar in substance. Would one of nature's Fotherington-Thomases have dispatched Gordon Brown quite so swiftly in the leadership race following John Smith's death?

Toughness and leader-cult politics are central to New Labour. Just as Thatcher created a new electoral base by bringing over from Labour a swathe of blue-collar workers and the lower middle classes, bolting them on to the traditional Tory constituency, so Blair is trying to refashion Labour's base, by swinging the middle classes behind him.

Having fought a desperately unsuccessful by-election during the moonlit side of triumph, Falklands war, Thatcherism, Blair knows very well that these potential New Labour voters are patriotic, hard-boiled, materialistic and, above all, prone to admire strong lead-

ers. Winning them in May depends partly on Blair's presentation of the election as a fight between the strong (him) and the weak (John Major). It may not be a pretty sight. But it is a carefully considered one.

Where, though, will it lead him if he wins? The first point is an obvious one, which is that Blair will be unable to achieve anything much if he is not a strong and sometimes ruthless parliamentary leader. Without tight control of a notoriously fissiparous party, he will be unable to push through the reforms he has promised. Those of us who want decentralisation of power and political pluralism from him have to accept the paradox that to deliver, he must first control the centre.

The other point is a more personal one, but no less important. It concerns the complex relations between Blair, Gordon Brown, and the other heavyweights, particularly Robin Cook and John Prescott. The unchallenged facts are these: Prescott has no leadership ambitions for himself. If he breaks with Blair, or storms out of a Labour government, it will be bad management by the Labour leader, and nothing more. Meanwhile Brown and Cook, both ambitious, are united by mutual and cordial dislike.

If Labour wins, how much does this matter? Let us start with another simple truth rammed home by the Thatcher era: a government depends heavily on the relationship between the Prime Minister and Chancellor.

Blair's relationship with Brown is complex: the shadow Chancellor was his intellectual mentor, his more-than-equal, for years. They speak almost every day in private. And, perhaps, Blair uses Brown as a lightning-conductor for hostility to his own views. Certainly, it is easier to attack Brown than the leader himself.

MPs and shadow ministers who are hostile to Brown reit that Blair has found his own centre, and no longer



Hard men: yesterday's Independent photomontage of Gordon Brown's mob

depends so much on anyone; they imply that his old friend, who remains one of New Labour's key intellectuals and who has grown steadily in influence, can be difficult for Blair, a little younger and a little less experienced in the Labour movement, to handle.

Well, we are in murky waters here, which will not be finally probed until the historians arrive. (And what fun they will have.) But one thing is clear. It is that the prospects of a New Labour government hanging together would be immeasurably strengthened by a quiet dinner between Brown and Cook, at which they buried their hatchets in the floor. Conversely, the ultimate Blairite nightmare would be a battle royal between the two of them, with Brown representing hardline New Labour and Cook leading the more radical wing of the party.

At this point, the lessons of the Thatcher-Major years become partic-

ularly interesting. The Labour Party is not excited about Westminster sovereignty in the way that the Tories are, but any such struggle would inevitably swirl around the same European/economic policy area that so plagues the Conservatives. If Blair arrives at Number 10 in May, then one of his long-term tactical objectives must be to ensure that this never happens.

It seems as if the lesson from the Major government is straightforward and has clearly been understood by Blair: trying to balance one faction against another, or playing off one assertive minister against another, is a mug's game and will merely convey the impression of weakness and drift. I suspect that much of Blair's "I'll lead from the centre" speech this week was directly intended to answer the Major experience.

The Thatcher lesson seems equally clear. She slowly but steadily stripped

her Cabinet of unbelievers and survived potential rifts over Europe for many years before being finally brought down by a general cabinet revolt. There was no one, not even Nigel Lawson, whom she did not personally dominate. Her relationship with "her" electorate was direct, and for many people almost bypassed the Tory party. Ergo, Blair must create for himself a Cabinet in his own image to match the new Blairite electorate.

But both of these obvious lessons contain serious flaws. What brought Thatcher down was the same thing that had sustained her for so long – her dependence on a court, cut off from the daily doings of the party at Westminster, and infected by hubris. From there came the poisonous briefings against cabinet ministers. In the end, the Cabinet reminded her that they mattered, in the most brutal possible way.

Meanwhile, the underrated John Major has a lesson to teach Labour too. He has, after all, been a remarkable survivor. And why? Partly because he cleverly and thoughtfully drew on his side his most dangerous Tory rivals, Michael Heseltine above all. He expended time, charm and ingenuity to keeping the vital ministers with him, even when he was privately irritated with them. It worked, given the huge ideological strains pulling at his party, remarkably well.

So the simple opposition between a "successful, strong leader" (Thatcher) and a "weak, failed leader" (Major) may be good populist propaganda for Blair; but it would be dangerous for him entirely to believe it himself. He is right to insist on strong leadership and a personal direction. A political reformist with Thatcher's energy and sense of direction would be a great thing for this country. But he needs to be a constant charmer too: in a parliamentary system, leaders who get too far ahead of their colleagues and parties meet swift and sticky ends.

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business & city

Business news desk: tel 0171-293 2636 fax 0171-293 2098
BUSINESS & CITY EDITOR: JEREMY WARNER

SFA rejects former Barings chief's claims by imposing three-year City ban with £10,000 costs penalty

Hopkins: Was he a whistle-blower or just negligent?

Michael Harrison

Ian Hopkins, the "whistle-blower" who says he alerted Barings to the huge losses being run up in Singapore by the bank's rogue trader Nick Leeson, was yesterday banned from the City for three years and ordered to pay £10,000 costs after the Securities and Futures Authority rejected his version of events.

Announcing the results of disciplinary proceedings against Mr Hopkins, former head of group treasury and risk at Barings Investment Bank, the SFA dismissed claims that his warnings were ignored by more senior Barings executives.

Nick Durlacher, the SFA chairman, said: "The facts do not support this suggestion. An impartial tribunal has scrupulously considered all the available evidence and judged that Mr Hopkins did not 'blow the whistle' with any clarity, force or urgency. On the contrary, the tribunal found that his actions fell far short of the standards expected of a prudent man in such a senior position."

Last night Mr Hopkins, who refused to appear before the tribunal but waged a highly public campaign to clear his name, rejected the SFA's findings but said he would not contest them.

He also said he regretted "the gratuitously vindictive terms" in which they had been expressed and repeated his claim that he had been victimised for refusing to plead guilty to lesser charges and thus escape with only a reprimand, as some other Barings executives have.

Mr Hopkins said that during a telephone conversation with Mr Durlacher in January last year he was led to believe that the SFA would accept such a deal, allowing him to remain a "fit and proper person" and thus be eligible for readmission to the SFA's list of directors. But he was not prepared to agree to something that was untrue "however selective the proposition".

Mr Hopkins went on: "I am surprised that the SFA has been able to achieve so much certainty in its view of what did and did not happen, and about who said what to whom, in the face of so much documented and circumstantial evidence to the contrary."

Mr Hopkins maintained that had his warnings and recommendations been acted upon, then Leeson's fraud would have been uncovered three months before his illegal dealings in the Tokyo futures market brought the bank crashing down with losses of £800m in February 1995.

However, the tribunal ruled

that Mr Hopkins had failed to act with "due skill care and diligence" in his job of managing the day-to-day working capital and credit needs of Leeson as his losses mounted and had therefore ceased to be fit and proper to be registered as a director.

Mr Hopkins declined to appear at the three-day hearing in January, saying he could not afford the very substantial costs of attending. Had he contested the charges, he would have had to bear all the costs of the tribunal, including those of the SFA which retained a leading QC to plead its case.

However, Mr Hopkins did lodge a large amount of written evidence with the tribunal, including his testimony to the Commons Treasury Committee investigation into the affair, letters from former colleagues and six separate memoranda to his bosses sent between November 1994 and January 1995.

In one of them he said, with reference to Barings (Futures) Singapore Limited, that "our systems and control culture are distinctly flaky". In another, dated 7 November 1994, he proposed the appointment of an Asian regional treasurer to Barings Investment Bank but this was blocked on cost grounds.

He also quoted from the report of the inspectors appointed by Singapore's Finance Minister, who concluded: "In our view the collapse might have been averted if Mr Hopkins' concerns had been taken seriously, and acted upon promptly and effectively."

However, the tribunal concluded that none of Mr Hopkins' memoranda or submissions constituted an adequate defence. Mr Hopkins knew that funds being advanced to Leeson from



Disciplined: Ian Hopkins, whose version was rejected by the SFA. Photograph: FT

London to cover his increasing financial exposure on the Singapore International Monetary Exchange remained unrecalled. These funds, known as the top-up, stood at £100m in September 1994 and had risen to £306m by the time Barings collapsed.

But, said the tribunal, he failed to control or reconcile these top-ups and failed to advise the bank's asset and liability committee, its management committee and its chief executive, Peter Norris, of the lack of reconciliation or take steps to stem the mounting exposure.

He also failed to alert superiors to the fact that Leeson was both in charge of trading in Singapore and the back office function of reconciling each day's trading, even though an internal audit report had mistakenly stated that customer statement reconciliations took place in London.

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Funding crisis threatens Taskforce 2000

Chris Godsmark
Business Correspondent

Taskforce 2000, the group set up by the Government to raise awareness about the looming computer millennium problem, is facing an imminent funding crisis which could force the organisation to close later this year, despite commitment by ministers to publicise the issue.

Funding for the taskforce, set up last year with a £170,000 grant from the Department of Trade and Industry, runs out at the end of this month. No budget has been allocated for the next financial year. If the Government fails to provide more money, the taskforce would be left with less than £100,000 from other commercial donors.

Margaret Joachim, a computer consultant and one of three senior staff on full-time secondment to the taskforce, warned that the organisation's work had not been completed. She said: "We have undoubtedly raised awareness, but that is only the first stage of informing large and small businesses about the problem. This is a real difficulty for whichever party wins the election. We have a bit of money left over for the next financial year but it won't last forever."

The millennium problem has arisen because most computer systems in the world can only recognise the last two digits of a year and will not be able to cope with the date change in the year 2000. Programmes used by retailers are already rejecting date-coded products and credit

cards with expiry dates beyond 2000, assuming they are almost 100 years old.

Solving the problem is forecast to cost industry billions of pounds, while the DTI recently estimated the Government alone would need to spend £1bn to sort out its computer networks. Computer experts fear systems could shut themselves down after the date change, causing chaos.

A DTI spokeswoman confirmed that no new cash had so far been allocated to the body. "We're committed to the objectives and are ready to listen to any case they want to put to us about their future plans."

The latest threat to Taskforce 2000 is an endorsement from Margaret Joachim, a computer consultant and one of three senior staff on full-time secondment to the taskforce, warned that the organisation's work had not been completed. She said: "We have undoubtedly raised awareness, but that is only the first stage of informing large and small businesses about the problem. This is a real difficulty for whichever party wins the election. We have a bit of money left over for the next financial year but it won't last forever."

So far the organisation has revealed a worrying lack of interest in the issue from large companies. A recent letter to privatised utilities asking what precautions they were taking to protect their computer databases received replies from just a third of those questioned.

Orange claims first place in mobile race

Chris Godsmark
Business Correspondent

Orange, the digital mobile phone network, yesterday claimed undisputed market leadership over its three rivals in the race to sign up customers, and predicted a substantial increase in revenue from subscribers.

Announcing results for last year, Orange said its customer base was growing at a rate of more than 30,000 net new subscribers a month this year, easily beating Vodafone, Cellnet and One2One.

Hans Snook, group managing director, said Orange had more than 850,000 customers at the end of February, following a 107 per cent increase to 785,000 last year.

He said: "We're attracting more of the better quality subscribers than any of our competitors. All the information we have from statisticians and dealers and distributors says that we are undoubtedly the fastest-growing network this year."

The news boosted Orange's share price, which slumped last year after fears of a price war with its rivals. The shares closed 5p higher at 219p.

The group's revenue per subscriber, one of the most closely watched statistics in the industry, remained stable at £44.2 a year on average, compared with £44.4 at the end of 1995. Its share of the mobile market increased from 7 per cent to 11.5 per cent, and it took 28.5 per cent of new customers during 1996.

Graham Howe, finance director, forecast that Orange would break even, excluding interest charges and depreciation, by the middle of this year. He said

the company was still on course to make a profit in 1998-99.

Another boost is expected from the hike in the wholesale charge Orange makes for incoming calls from BT's fixed phone network, which went up last month from 6p a minute to around 14p. Based on existing usage patterns, the increase would raise average revenues per subscriber from £38 to £135, increasing the overall annual spend to £520. Mr Howe explained: "You will probably find the real increase is a bit lower because people will make fewer incoming calls, but there will still be a rise in revenues from an already strong base."

Mr Howe claimed Orange's low churn levels, which measure how quickly customers switch to rival operators, meant its customer base was more valuable. Churn rose only slightly last year to 18.6 per cent from 18.1 per cent in 1995, though the figure is still the lowest in the industry.

Orange's turnover last year rose by 171 per cent to £619m, including the impact of acquisitions. Losses before tax jumped from £141m to £229m, reflecting a surge in staff numbers and an extra £230m invested in building up the network.

Separately, Canall, the Danish mobile phone maker owned by Alan Sugar's Amstrad group, launched what it claimed was the world's first handset which could launch on both sides of the Atlantic.

The move comes as all the mobile networks are expanding opportunities for so-called "global roaming", where customers can use their phones on different networks around the world. The Canall phone will work on two different wave bands used by mobile networks in the UK and abroad.



Steve Morgan: "No tax gain to be made by selling now"

Morgan lands £100m from Redrow sale

Patrick Toohar

Steve Morgan, one of Britain's richest individuals, is set to raise almost £100m through the sale of a 25 per cent stake in Redrow, the housebuilder he founded in 1974 with a £5,000 loan from his father.

Mr Morgan said the main purpose of the sale was for family investment reasons. He denied it was linked to his move last year to Jersey for personal tax reasons even though he will avoid a capital gains bill of up to £40m on the deal because of the Channel Islands' generous tax regime.

"There is no tax gain to be made by selling now," he insisted. "The business has come on greatly in the last 12 months and I feel it is not really appropriate for one shareholder to own more than 50 per cent of a public company."

The sale will see Mr Morgan's stake in Redrow, held via his Bridgemere Holdings company, cut from just under 60 per cent to about 35 per cent. Some 54 million shares will be placed by stockbrokers BZW and Cazenove with institutional investors.

Shares in Redrow fell 5.5p to 169.5p on the news, valuing Mr Morgan's total investment at £220m.

Mr Morgan, who floated Cwyd-based Redrow on the stockmarket in 1994, stressed

that neither the share sale nor his move to Jersey reduced his commitment to Redrow, of which he remains chairman.

"I wanted to sell more at the time of the float in May 1994, but conditions in the housebuilding industry then did not really allow it," he added.

Day-to-day running of Redrow is in the hands of Paul Pedley, managing director who is also selling a small parcel of 475,000 shares, worth £805,000 at last night's close.

News of Mr Morgan's share sale came as Redrow released interim figures for the six months to December showing a 36 per cent rise in pre-tax profits to £16.4m on sales 29 per cent

ahead at £123m. Earnings per share rose from 3.9p to 5.2p while the interim dividend was raised from 1.1 to 1.2p. Housing completions totalled 1,317 units in the half, up from 1,082, with the average selling price rising more than 5 per cent to £93,200, mainly reflecting an increase in the average size of house sold.

Mr Morgan noted that although house price inflation had been strongest in the south-east, a ripple effect was now being seen across the country. "As a result there is every reason to believe that the current market is sustainable," he said.

Mr Morgan is credited as one of the few housebuilders who

called the top of the market in 1988 and 1989, selling the company's entire landbank before the recession and the housing crash hit the whole sector in the early 1990s.

Four years ago he went back into the market with the purchase of Costain Homes for £70m, which expanded Redrow from its base in the north-west of England into the south east.

Mr Morgan denied his well-publicised move to Jersey, where he reportedly paid £6.5m to buy the Trinity Manor estate, was linked to fears that an incoming Labour government would increase the top rate of income tax. "I'm not a political animal," he maintained.

Fund manager vulnerable after stake sale

Clifford German

Edinburgh Fund Managers was yesterday left exposed as a potential bid target for European and US banks after the British Coal pension schemes disposed of its 32.5 per cent shareholding in the fund management group.

The placing forms part of a complex and interlocking deal by the pension schemes that will reduce EFM's funds under management by 11 per cent, or

£900m. However, EFM, alert to the weakening of its position, said it still had control over £6.7bn of funds and added that it would take less than two years to recoup the lost business.

In a series of deals, the pension schemes are liquidating their 85 per cent stake in the British Investment Trust (BIT), which itself is being wound up. This will release the minority shareholders who have been locked into the trust since the pension schemes bought the

majority stake nearly 20 years ago.

BIT's £60m stake in EFM, worth around £185m, is being placed in the market through James Capel and Partridge Gordon. BIT shares rose 25p to 264p on the news.

The pension schemes and BIT are also placing their stakes worth £90m in six EFM investment trusts, which will in effect sever all links with EFM.

EFM will continue to manage a £383m Smaller Companies

portfolio for the British Coal pension schemes and the rollover unit trust for minority holders in BIT. And EFM expects to acquire an extra £500m worth of funds this year alone.

Meanwhile, EFM released its results for 1996 showing that while fee income rose by 60 per cent and operating profit by 65 per cent last year, pre-tax profit fell by 2 per cent after shouldering the exceptional costs of the merger with Dunedin Fund Managers.

Porterbrook report delayed beyond election

Michael Harrison

The report by Sir John Bourn, head of the National Audit Office, into the Government's controversial sale of the three train leasing companies, is not now expected to be published before the election.

The results of his investigation into the three businesses, two of which were subsequently sold on by their managements at a vast

profit, would almost certainly have made for uncomfortable reading had they been made public before polling day.

In the case of one of the companies, Porterbrook, the management and City financial institutions made a £400m profit on the resale of the business to Stagecoach. Another of the leasing companies, Eversholt, was sold on to a subsidiary of the banking group HSBC last

month, netting a £316m profit for its managers and venture capital backers.

Sandy Andersen, the managing director of Porterbrook, made an estimated £46m out of the Stagecoach takeover while his opposite number at Eversholt, Andrew Jukes, is estimated to have made almost £16m.

Whitehall sources said that the NAO, which is an entirely independent body reporting direct

to Parliament, had not been under any political pressure to delay publication. Sources said that Sir John's report was "some weeks" away from completion. Once an election is called he is not able to publish any reports. Since this could happen in the next fortnight, even though the country may not go to the polls until 1 May, it effectively rules out publication while the present Government is still in office.

Football clubs aim to relegate owners' rules

Patrick Toohar

Football clubs outside the elite Premier League are mounting a campaign to relax archaic ownership rules they say favour the bigger teams.

If successful, the move will make it easier for institutional investors to take greater advantage of the recent crop of football flotations by spreading their risk and taking sizeable stakes in more than one club.

At the moment, Football League rules bar an investor who owns more than 1 per cent of a club outside the Premier League from holding more than 1 per cent of another team. A less restrictive 10 per cent rule operates for Premier League clubs but both are under review.

The campaign to change the Football League's rules is being spearheaded by Sheffield United of the Nationwide First Division, which became a quoted company in January via a reverse takeover of the Conrad Leisure group.

"You can own 5 per cent of ICI and Courtaulds but not 5 per cent of Sheffield United and Manchester United. That's a nonsense," said Charles Green, the club's chief executive.

Three directors of Manchester United, including Sir Bobby Charlton, still own shares in Sheffield United as a legacy of the Conrad deal, though none breaches the 1 per cent rule. Following the reverse takeover Mike Edelson, a Manchester United director who ran Conrad, resigned as a director of Sheffield United to avoid a conflict of interest.

Mr Green claimed the Football League's ownership rules

were based on the "Dickensian theory" that the outcome of a match could be influenced if an individual owned more than 1 per cent of more than one club.

"There is an acceptance that rules draw up 150 years ago are not relevant now," he added.

His comments were backed by Tony Frater, chief executive of Singer & Friedlander Investment Funds, which invests in football clubs. "With the likes of Birmingham City and Charlton Athletic coming to the market it seems they cannot be supported if an investor has a stake in a Premier League club. The rule continues to assist the Premier League clubs and widens the gulf that already exists between them and the rest of football."

Sheffield United is pressing for the ownership rules to be changed at the League's annual meeting in July.

The Premier League is in talks with the Department of Trade and Industry about agreeing a higher ownership limit before its annual meeting in June.

Mike Lee, a spokesman, said the review was aimed at preserving the integrity of the game and governing the changing pattern of investment.

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STOCK MARKETS					
Index	Close	Day's change	Change (%)	1996/97 High	1996/97 Low
FTSE 100	4441.30	+6.90	+0.2	4444.30	3632.30
FTSE 250	4729.40	+0.20	+0.0	4729.40	4915.30
FTSE 350	2194.30	+2.70	+0.1	2194.30	1616.60
FTSE SmallCap	3370.85	+4.72	+0.2	3370.85	1954.05
FTSE All-Share	2163.94	+2.81	+0.1	2163.94	1791.95
New York	7099.00	-10.39	-0.1	7079.39	5939.94
Tokyo	18267.72	+153.83	+0.8	22668.80	17306.65
Hong Kong	13292.20	-18.56	-0.1	13889.24	10204.67
Frankfurt	3460.64	+24.57	+0.7	3460.64	2253.36

INTEREST RATES					
Short sterling	UK medium gilt	US long bond	Money Market Rates	Bond Yields	Money Market Rates
1 Month	1 Year	3 Month	1 Month	1 Year	1 Month
6.44	7.25	7.00	6.00	6.65	6.00
6.33	7.25	7.00	5.38	5.94	5.38
6.32	7.25	7.00	0.41	0.47	0.41
6.24	7.25	7.00	3.25	3.34	3.25
6.20	7.25	7.00			

CURRENCIES					
£/\$	£/DM	£/¥	Pound	Dollar	Other Indicators
1.6052	0.6230	0.013	1.6052	0.6230	1.6052
1.6030	0.6230	0.013	1.6030	0.6230	1.6030
2.7377	0.2452	2.2592	2.7377	0.2452	2.2592
195.602	10.899	160.882	195.602	10.899	160.882
97.8	0.2	83.6	97.8	0.2	83.6

MAIN PRICE CHANGES					
Index	Price	Change	Index	Price	Change
Kalson Group	135	7.5	Scania Motors	435	135
Butterfly Group	1425	87.5	Harrolds Group	131.5	6.4
Medeva	329	15	Pratt & Whitney	36.3	4.8

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Just imagine the outcry if Mercury Asset Management was banned from owning more than 1 per cent of Granada because it had more than 1 per cent of Carlton.

Big money will triumph in this football tussle

When big money meets sport, the result is not always a harmonious one. Ancient Football League rules bar an investor owning more than 1 per cent of a club. The rules are a little lighter for Premier League clubs, but not much. Here the threshold is 10 per cent for owning more than 10 per cent of a club. The point of these rules, to use the pompous-sounding language of the game, is "to maintain the integrity of the game" — in other words, to stop match-fixing or similar motivated player transfers.

In the old days when football was not a game from which anyone other than the top players expected to make any money, this was all well and good. But now with the game's business potential well recognised and with so many clubs either listed or seeking a listing on the stock market, the rules are, being tested, to the limit. Sheffield United yesterday added its voice to the chorus of those demanding change.

There is no other stock market sector governed by rules of this type. Just imagine the outcry if Mercury Asset Management was banned from owning more than 1 per cent of Granada because it had more than 1 per cent of Carlton. As far as institutional shareholders are concerned, the rules are almost certainly unwarranted. It seems hard to believe that Carol Galley of MAM would attempt to fix a match because it suited her purposes that someone other than Man United won the League that year — hard to

believe for everyone except Sir Rocco Forte and Greg Dyke, that is.

Many of football's new investors want to go further so that one football club can own or control another outright. The business attractions of such consolidation are obvious, allowing clubs to share the costs of marketing, merchandising, ticketing and other overheads. But does it make for a credible League? The dangers are as obvious as the attractions. Is it really possible for two clubs to compete properly with each other when they have a common owner and manager? Ownership of clubs would become concentrated in fewer and fewer hands, and the gap between rich and poor clubs would widen with the birth of nursery, or feeder, clubs, serving their larger masters. Over time the lower football divisions might disappear altogether.

There's not much doubt who will eventually triumph in this debate, however. As always, it will be money.

We're finally getting real about Europe

There is a neat irony in the fact that the great and the good of British industry have ganged together to tug the UK closer to Europe just as German Eurosceptics have mustered their forces to try and prevent Germany from going in to the single currency. In fact these apparently conflicting tenden-

cies mark, in both countries, growing realism about the European debate. Before now, Britain's hysterical anti-European fringe has made too much of the running, while the debate in Germany has been stifled by the official religion of ever-closer European integration.

On this side of the Channel the businessmen writing to the *Financial Times* have brought to public attention the potential costs of becoming detached from the European market. Our right-wing Eurosceptics have used suspicion of the single currency to get the question of outright withdrawal from the EU onto the political agenda.

As the businessmen point out, even to talk of this costs investment and jobs. Britain has a real economic interest in remaining a committed member of the EU and the single market, and this has implications for the way Britain conducts its debate over the single currency. This element of the calculus has been drowned out until now by the puerile political uproar over EMU.

In Germany the missing element has been what price the country will have to pay for joining the Euro. The political establishment there has been so insistent that Germany will not sacrifice its strong currency because the Maastricht criteria will not be fudged, and so committed to closer integration, that the other costs have been skirted over.

These costs are not the obvious spending

cuts that are bringing the workers out on to the streets. Germany, like France and Italy, would have had to reduce the level of industrial subsidies, allow old industries to die and deregulate their labour and goods markets anyway. Maastricht is both an incentive to do it and a handy scapegoat.

The real cost of joining EMU will be swapping the mark for a softer currency and handing monetary policy to an institution that will probably not be as tough as the Bundesbank. In the eyes of German public opinion, this might turn out to be too high a price to pay for closer European links and a more complete single market.

One thing is certain: that the outlook for EMU is becoming less certain. Will it happen on time? Will it go ahead at all? Who will be in? The financial markets will have plenty of opportunity for fun as opinion about these questions shifts during the next 12 to 18 months. What is reassuring is that the quality of the economic policy debate about the single currency has taken a dramatic turn for the better, thanks to the British Eurosceptics and the German EMU sceptics.

Hopkins penalised for not going quietly

There is a form of rough justice in the City and yesterday it was meted out in no uncertain fashion to Ian Hopkins, one of Nick

Leeson's bosses at the time of the Barings collapse. Mr Hopkins' undoing seems to have been not that he failed to supervise and control the rogue Singapore trader adequately but that he refused to plea bargain with the regulators in return for a light sentence and instead embarked on a highly public campaign to clear his name.

It is hard to avoid the conclusion that he has been penalised for presenting himself as the man who tried to blow the whistle as much as anything else. Washing dirty linen in public as opposed to behind the closed doors of an SFA tribunal is a high-risk strategy.

Yesterday Mr Hopkins paid the price. He has been hanged from the City for three years, ordered to pay £10,000 towards the SFA's costs, and branded as someone who is not fit and proper to be a director.

Would he have fared any better had he appeared before the tribunal to argue his case? It is hard to say but whatever the outcome he would have been a lot poorer having been landed with all the costs, including those of the SFA which has hired the lead counsel at the Scott inquiry to press its case.

How much simpler it would have been had Mr Hopkins come quietly and agreed to accept a reprimand in return for acknowledging his culpability. He would now be free to resume his livelihood. The SFA may have got its man but public sympathy is going to be with Mr Hopkins. And if that is true, then the SFA has weakened its standing.

Zeneca profits pass £1bn mark

Magnus Grimond

Zeneca, the UK's third-largest drugs group, yesterday revealed that profits broke through the £1bn barrier for the first time last year and dismissed suggestions that its soaring share price had been puffed up by bid hopes. Unveiling record profits, turnover and exports, Sir David Barnes, chief executive, said he did not believe there was anything by way of speculation in the share price, which has tripled since the group was demerged from ICI in mid-1993, partly on hopes the company will be bid for by a big rival such as Roche of Switzerland.

The yardsticks by which analysts measured the group's performance were at the upper end of its sector but not above it, he said. "Most of the share price is justified on fundamentals and contains no bid speculation," he claimed.

Despite news of a 15 per cent rise in underlying profits before exceptional items to £1.01bn for 1996, the shares fell from the all-time peak hit on Monday, dropping 42p to £18.605. Dealers blamed profit taking after their strong performance this year

and worries that Zeneca had only one drug in its late-stage development pipeline.

But the group reiterated its aim of achieving average annual earnings growth of 15 per cent over the next five years by building a leading position in anti-cancer drugs and certain agrochemicals, while enhancing its position in other drug areas. Sir David attempted to calm fears about the group's Macleodfield plant, which manufactures Zoladex, the big-selling anti-cancer drug, where the US Food and Drug Administration has identified problems with the manufacturing process. Sir David said 20 inspections of the plant had been completed by a variety of regulators over the past 12 months. "We are confident the few remaining outstanding issues can be resolved with the FDA to their satisfaction and we hope these issues will be resolved by the end of the month," he said.

The group said it had 18 new products under development, including the Zomig anti-migraine treatment acquired from Glaxo last year, which has won UK approval, and the Serenol schizophrenia treatment due



Sir David Barnes: Dismissed suggestions of speculation affecting Zeneca's share price

for launch this year. Pharmaceuticals profits grew 10 per cent to £757m, or 6 per cent excluding exchange movements, but Zeneca warned margins would continue to be constrained by the development and marketing costs of new products. The group plans to

raise its US sales force from 1,200 to nearly 2,000 this year. Zestril, the group's heart drug which goes off patent in 2001, grew sales 11 per cent to £547m in 1996, while Zoladex was up 28 per cent to £333m. Operating losses in the seeds business, now part of a joint ven-

ture with a Dutch group, were cut from £48m to £3m. Meanwhile, restructuring of the specialty chemicals operations, shorn of the specialty inks and textile colours arms last year, pushed profits up a quarter to £70m. *Investment column, page 20*

Scotia shares crash as diabetes drug is rejected

Magnus Grimond

The power of national drug regulators to move markets in pharmaceuticals companies was demonstrated vividly yesterday. Scotia Holdings, the biotechnology group, saw £189m wiped off its market value at one stage after announcing that the British health authorities had declined to clear for sale a diabetes drug. At the other end of the scale, shares in Glaxo Wellcome, the world's biggest drugs group, were spurred on to new peaks after Sweden approved its new Naramin migraine treatment, a follow on to its blockbuster Imigran drug.

Scotia's shares crashed 245p before recovering to end 135p down at 435p after the company said it had received verbal notification from the UK's Medicines Control Agency that it could not at present recommend marketing approval for Tarabatic, a drug for treating diabetic neuropathy. The MCA is a key part of the process by which the Ministry of Health

vetoes new drugs coming on to the market.

Analysts suggest Scotia's drug could achieve sales of anywhere between £50m and £400m, but David Horrobin, chief executive, suggested the market had overreacted. "This is potentially an important drug, but it is only one of 10 or so projects of equal importance."

The problem follows a meeting of the Committee on the Safety of Medicines, an advisory body to the MCA, which has raised concerns about the drug's efficacy. But Mr Horrobin questioned the expertise of the committee's members, saying none of them was expert in the field of diabetic nerve damage. He claimed the 10 to 15 people in the UK who he described as "real experts" in this area were all "very strongly" in favour of the drug.

Yesterday's regulatory setback for Tarabatic came as Glaxo Wellcome saw its shares rise 36.5p to a new high of £11.54, partly on hopes for its Naramin migraine treatment, formerly called naratriptan.

The approval by the Swedish Medical Products Agency means it will compete in Europe with Zeneca's Zomig, which it was announced yesterday has won UK approval.

Glaxo is confident the new treatment will not compete with its Imigran drug, which it claims is used by only 7 per cent of migraine sufferers. The clearance is the first stage to marketing a drug which analysts suggest could reach sales of £200m by 2000.

The drug industry has grown used to these moments of despair and elation after enduring a generation of an approval process born of the Thalidomide scandal of the early 1960s. The process of gaining approvals for drugs lengthened until in the 1980s it was taking 12 years from patenting a new compound to getting it on to the market. Since then, a new spirit of commercialism has taken root among the regulators. The all-powerful Food and Drug Administration offers drug companies the option of paying a "user fee" which can speed up the process.

Nomura shares dive as clients turn elsewhere

Richard Lloyd Parry Tokyo

Shares in Nomura Securities yesterday fell to their lowest level in more than four and a half years, and at least 10 large clients announced that they were suspending business with the broker, after revelations about a trading scandal linking the company with extortionists.

Nomura's shares fell by ¥400 to ¥1,370, about 700p, making a 13 per cent drop since last Thursday when it announced that two directors illegally funnelled trading profits to a company linked to a racketeer.

At least 10 institutional investors have suspended business with Nomura since the scandal, and the company's president, Hideo Sakamaki, has indicated that he will probably resign within the next few weeks.

The Japanese government's Pension Fund Association has pronounced Nomura unworthy of trading on its behalf. Among the other companies which have suspended their business are Dai-ichi Mutual Life Insurance Co, the Long Term Credit Bank of Japan, Sumitomo Trust and Banking, and Mitsui Trust and Banking.

Even the US subsidiary, Nomura Investment Management, has stopped business with its parent company in Tokyo, as has Calpers, the California Public Employees Retirement System. According to BZW Securities (Japan) yesterday the flight of its clients could cost Nomura as much as ¥500m in lost revenues from trading commissions and underwriting new securities.

"It could take several years for the ground lost to be recovered," said David Threadgold, BZW's analyst in Tokyo.

The scandal, and the ensuing losses, come at a time of increasing uncertainty in Japanese finance, as the government embarks on a long-awaited programme of deregulation intended to improve competitiveness — Japan's so-called "Big Bang".

According to Ayako Sato, of UBS Securities, a change of management in Nomura "may lead to efforts to devise effective Big Bang counter-measures". On Monday, two managing directors of Nomura resigned. Yesterday, executives of a second Japanese company were arrested on charges that they paid large sums to a so-called *sokaiya* — a gangster.

HSBC job for former exchange chief

Stephen Vines Hong Kong

HSBC Holdings, the parent company of the Midland and Hongkong banks, has appointed Paul Chow, the Hong Kong stock exchange's former chief executive, as the deputy chief executive officer of its money management arm, HSBC Asset Management.

The 49-year-old Mr Chow is a relatively low-key technocrat who ran the stock exchange for five years without producing any sparks or making any notable mistakes.

His style of management was collegiate, allowing more flamboyant executives to hog the limelight while he plodded away at his task of making the market grow.

Growth is highly valued in Hong Kong and Mr Chow is credited with presiding over a period during which the capitalisation of the exchange grew fourfold, mirroring the increase in trading volume.

However, unlike some of his predecessors, Mr Chow has not moved into a prime position in the private sector. Instead, he will in effect be the number-three man at HSBC Asset Management, which, unlike the parent company, remains based in Hong Kong.

Mr Chow will report to Robert Duggins, the company's chief executive officer, and to Kevin Gregory, the global chief operating officer. This makes

him the most senior Chinese executive.

Despite the Hongkong Bank's notable efforts to localise its executive strength, Mr Duggins denied that Mr Chow's ethnicity had anything to do with his appointment. He stressed the importance of his background and experience, both at the exchange and at the Sun Hong Kai group, one of the largest local finance companies.

The post he will fill is a new one focusing mainly on the group's operational and support functions. Mr Duggins sees Mr Chow taking charge of strategic development plans for Hong Kong, China, Taiwan and Korea. He said that the deregulation of markets in these areas presented opportunities: "We need someone of Paul's calibre [to oversee this area]."

Mr Chow has allowed himself a four-month period of distance from the stock exchange, following his resignation at the end of last year. The good thing about joining a fund management company is that there is no apparent conflict of interest, said Mr Duggins. Fund managers are basically market consumers rather than sellers.

HSBC Asset Management, one of East Asia's biggest fund managers, has had a patchy performance record, leading to a number of reorganisations. However, it turned in a sterling performance last year as funds under management rose by 87 per cent to \$44.5bn (£27.7bn).



Expanding: The Hong Kong stock exchange grew fourfold during Paul Chow's period in charge

When Paul Chow left the stock exchange his house magazine, the *Securities Journal*, bailed his departure with the modest headline, "The maestro departs". This was backed up by a survey of market practitioners

who gave him high marks for his period of office. One dealer was quoted as saying: "Hong Kong loves a technocrat, and Paul Chow has been the most visible technocrat for some time."

Mercury men move to C&W board

Chris Godsmark Business Correspondent

Cable & Wireless yesterday announced the latest round of senior job appointments at C&W Communications, its £5bn TV and telephone group formed out of the proposed merger of Mercury Communications and cable operators Nynex Cable-Comms and Bell Cablemedia.

Seven management board jobs were made, in addition to the three senior executives already appointed. Three further jobs have still to be filled, raising further questions about

whether C&W can complete the merger in line with its internal target of April. The three remaining posts are understood to be legal affairs, information systems and marketing.

Five of the seven appointments are Mercury executives: Darren Entwistle, Adrian Chamberlain, Rob Fisher, David Wickham and Ian Hinchliffe. The other two are Gilles Leclerc, from Bell Cablemedia, and Ted Hatch, from Nynex Cable Comms.

Peter Howell-Davies, Mercury's chief executive, has not been given a post in the merged

group. Graham Wallace, C&W Communications' chief executive, said: "Peter will continue to be chief executive of Mercury."

Mr Wallace dismissed speculation that the appointments had been delayed by haggling over contract terms. Rumours suggested Dick Brown, C&W's American chief executive, had asked that candidates for the new senior management team accept jobs with just a month's notice period. However, Mr Wallace said: "This speculation is absolutely wrong. It is wildly inaccurate."

IN BRIEF

Labour work plan would cost £1.5bn

The Labour Party's plans to get the long-term unemployed back to work would have a net cost of only £1.5bn over five years and would reduce unemployment by nearly 450,000, according to a paper published yesterday by the Employment Policy Institute. The research by Labour adviser Professor Richard Layard of the London School of Economics, concludes that enough money to kick-start the scheme could be raised by the windfall tax on the privatised utilities. The cost of running the scheme of about £4.5bn would be offset, according to Professor Layard, by savings in benefits and additional tax receipts which he estimates at £3bn.

Recruitment market gathers pace

The buoyant recruitment market shows no sign of slowing down, according to recently floated recruitment specialists Robert Walters. The company said the recruitment cycle should have a further two or three years to run before it reached its peak. Reporting an 86 per cent increase in pre-tax profits to £3.9m, Robert Walters said it was looking at opening an office in Frankfurt this year to complement offices in Hong Kong, Auckland and Wellington. The founder, Robert Walters, said he had no plans to sell any further shares. The company reported a maiden dividend of 1.5p.

Granada and YTV in talks

Granada and Yorkshire Tynes are in talks to market the whole of northern England as a single region through Laser, their television advertising sales agency. The move could be a prelude to a full bid for YTV from Granada. *Investment column, page 20*

Independent Insurance profits rise

Independent Insurance Group announced a 21 per cent rise in pre-tax profits, boosted by growth in some areas of its UK business while its French operation broke even. Group profits, excluding investment gains, rose from £33.3m to £40.2m, and the dividend was lifted by 18 pence to 13.2p. Including investment movements, profits climbed 46 per cent to £52m. The profit and dividend increases were above expectations and the UK performance was "against the trend," said Michael Bright, chief executive.

DBS cleared to push for listing

DBS Management, the independent financial adviser's group, is to press ahead with plans for a stock market listing after receiving the all-clear from the Personal Investment Authority. DBS postponed its float plans in October pending a review by the PIA concerning allegations made by its former compliance director. The PIA yesterday said it had found the allegations were not supported by the evidence and no formal action would be taken.

Crunch time for Hanson

Hanson, the name that has dominated the stock market for more than a quarter of a century, should discover today whether it will be relegated from the leading FTSE 100 share index. The index's steering committee meets this afternoon to decide the latest round of Foolsie promotions and relegations. Compass is close to qualifying and could displace Hanson, while British Land looks set to replace Argos. *Market report, page 22*

Thorntons back in the black

Thorntons, the chocolate retailer, has returned to the black after exceptional items forced the group into a £14m loss last year. Profits in the six months to 11 January were £10m compared to £7.6m in the same period last year. Like-for-like sales grew by 13 per cent in the half, with current trading 11 per cent ahead.

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Riches in Zeneca drugs pipeline

THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

Few could have guessed that shares in Zeneca would triple in the space of under four years, but since the spin-off from ICI, Britain's third-biggest drugs group has developed a reputation as one of the best on the market. The question for investors is to what extent the current price reflects long-running hopes that Roche or some other deep-pocketed rival may pounce and how much it is a measure of fundamental prospects. The former seemed to be gaining the upper hand yesterday, with the shares dipping 4.2p to £18.605 on profit-taking and gripes that the company's new drugs pipeline was looking a little empty.

That looks churlish for a company which churned out a 15 per cent rise in underlying profits before exceptional items of £1.01bn in the year to December. More so when you add in Zeneca's "aspirational target" of achieving 15 per cent a year average earnings growth over the next five years.

There was little to quibble about in last year's figures. More than 14 per cent of the underlying sales growth in the main pharmaceuticals business to £2.44bn came from products launched in the past two years. The cost of developing and launching these products is holding back profits, up an underlying 6 per cent to £757m in the division, but the prospects are encouraging.

Casodex, the prostate cancer treatment, saw sales jump from £10m to £68m and now claims a 43 per cent share of the US prescriptions market. Arimides, the breast cancer drug, managed £20m sales from a standing start last year, while Accolate, Zeneca's delayed entry into the asthma market, is said to be doing better than Glaxo's rival Flovent.

The group is also excited about the prospects for Zomig, the migraine treatment acquired from Glaxo last year. News that Zomig has won its first official approval from the UK, will pit it against Glaxo's rival Naramig product, which has also just gained its first clearance from Sweden.

But this is a big market and both Zomig and the Serenol schizophrenia drug to be launched later this year are set to achieve peak sales well in excess of £200m.

These and other launches should tide the group over any temporary gap in drugs in late-stage trials, while further out, some of the 18 products in the development pipeline will come good. The company can also use its £722m net cash to plug any holes. Zestril, the group's best-selling heart drug, was after all acquired from Merck.

Cowie catches a bus to growth

Cowie has come a long way since its failed bid for Henrys five years ago. It is now the country's second-biggest bus operator, between FirstBus and Stagecoach, and on a roll. Figures for the year to December showed a continuation of the impressive trend that has seen profits rise steadily from £11.3m in 1990 to £81.2m in the latest 12-month period, up 46 per cent. During that period, earnings per share have risen almost fivefold from 6.9p to 33.2p and the dividend from 3.7p to 12.4p (10.4p last year).

The biggest profit earner remains the finance division, although the acquisition of British Bus means it will be overtaken this year. Profits from car leasing and fleet management increased from £33.1m to

£34.8m, again the latest in a long line of rises. With 40 per cent of company cars still bought, maintained and disposed of by expensive in-house departments, there is still plenty to go for.

The motor division, while relatively small in group terms, remains a significant player in the trade, with profits of £11.7m putting it on a par with stand-alone success stories such as Pen- dragon. Cowie should benefit from the manufacturers' desire to rationalise the fragmented car retail system.

The biggest excitement last year, however, lay in buses, where Cowie dominates the London market and by dint of sizeable acquisitions has become a significant player nationwide. The £282m purchase of British Bus last year is still waiting on an MMC investigation, but Gordon Hodgson, chief executive, looked quietly confident yesterday that only minor tweaking where the company overlaps with Cowie's existing south London routes will be required.

Profits from buses jumped from £10m to £30.4m and with a full-year contribution from British Bus and the smaller North East Bus next time, the division will become the group's dominant arm. Although many of the benefits of the move into buses were

one-off cost savings, there is a political consensus to improve bus travel and, on a relatively fixed cost base, getting buses on seats could yield significant growth for a while yet, and at much less risk than the train franchises Cowie has (so far) failed to win.

On the basis of forecast profits of about £105m, the shares, down 9p yesterday at 421.5p, trade on 12 times earnings. Good value.

YTT awaits the consummation

When will Granada do the decent thing and consummate its partnership with Yorkshire Tyne-Tees, the rival commercial broadcaster from over the Pennines? Speculation that 27 per cent shareholder Granada will eventually mount a full takeover bid has seen shares in YTT almost double in the last year to touch 1,300p. To add spice to the pot, United News & Media, holder of the Meridian and Anglia franchises, sits on 14 per cent of YTT.

Insiders reckon that on current numbers an offer of over 1,320p a share for YTT would be dilutive for Granada's shareholders. But a 40 per cent rise in YTT's pre-tax profit to £30.2m in the year to December underlines the value of its franchise. Sales rose by 29m to £271m while fully diluted earnings per share advanced to 34.5p (25.8p).

The figures were struck despite YTT's share of national advertising revenue falling slightly from 10.7 to 10.3 per cent, partly because telecoms companies concentrated their expenditure in the south. YTT more than made up the shortfall by controlling costs and selling more programmes.

But the real kicker for shareholders is the prospect of early renegotiation of the levy YTT pays to the Treasury for its 10-year licence. It shells out a massive £66m a year, index-linked, for the privilege of broadcasting to Leeds and Newcastle. Levy relief could amount to more than £30m a year and begin as early as 1999. YTT is urging a return to a special duty on advertising, which would be applied to all broadcasters, including pay television operator BSkyB and the Channel Four commercial station, both currently outside the archaic licence fee system.

With that windfall in sight and a Granada bid in prospect the shares are difficult to value on fundamentals, but they are well worth hanging on to.

Marketing guru sends his message in a bottle

PEOPLE & BUSINESS



Micro-brewer: John Murphy wants an international beer brand

John Murphy, the founder of the Interbrand marketing consultancy, is expanding his new brewing venture. The 53-year-old marketing guru has used almost half of the £8m he made from the Interbrand sale to Omnicom two years ago to set up St Peter's Brewery, a micro-brewery established in a 13th century manor house near Bangay in Suffolk.

He has already bought three idyllic pubs nearby and today sees the launch of St Peter's Golden Ale, a bottled beer which Mr Murphy hopes to market internationally. "I'd been working for major brewers for 15 years and it struck me that even though we have a very strong brewing industry we don't have a very strong international brand."

The beer comes in an unusual oval-shaped bottle and is described as a "halfway between a lager and a bitter". It has already been accepted by Tesco. Mr Murphy hopes to secure distribution through other large supermarkets before taking the brand overseas.

A stock market flotation is also under consideration for later this year to help raise the brand's profile as well as new funds.

As if this is not enough, Mr Murphy is also chairman of Plymouth Gin, a buy-out from Allied Domecq last year. The gin will be re-launched in the US next month. The plan is to re-establish the historic name as one of the world's premier brands in a market dominated by Beefeater and Gordon's. "Plymouth used to be the brand that was always used in pink gin," Mr Murphy tells me. "We have great hopes for it."

Manchester United has swooped in the executive transfer market. The Premier League has signed Peter Kenyon as deputy chief executive, a newly created post. Mr Kenyon, 43, who is a life-

long United supporter, is currently executive vice president and chief operating officer of Umbro International, United's kit sponsors. Mr Kenyon will move from Umbro's offices in South Carolina to United's theatre of dreams at Old Trafford. His role at the club will be to develop the United brand overseas, where the market for Giggie dret covers and United whisky is thought to have a good deal more mileage.

Michael Spencer, head of money brokers InterCapital, has entered the London marathon in a bid to raise £10,000 for charity. The former 40-a-day man (that's fags, not miles) says he will be disappointed if he does not complete the 26-mile circuit in under four and half hours.

He describes his training schedule as "in arrears", but hopes to catch up in a fortnight's time when he is on holiday on the Caribbean island of Mustique, "though I suppose it will be a bit warm". Mr Spencer completed 25 kilometres last week and claims the weight is falling off him. "It's great - you can eat what you like and

the weight still comes off." He is raising money for the National Hospital for Neurology and Neurosurgery.

Steve Morgan, the Redrow founder, claims his retreat to the tax haven of Jersey will not affect his ability to maintain a hands-on role at the house-builder. The millionaire businessman says he can jet in from Jersey to Redrow's Clwyd head office in the same time it takes managing director Paul Pedley to pootle in from his Runcorn home.

Mr Morgan is a frequent flyer. He regularly flies from Jersey to Liverpool just to watch his beloved Merseyside play at Anfield.

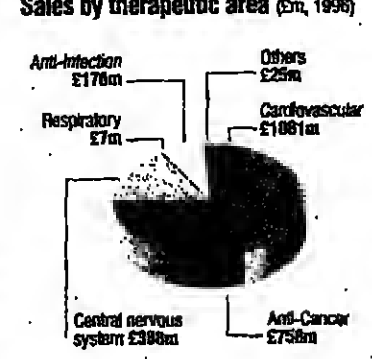
Mike Hennessy, managing director of Kalon, the paint group, is singing from a different hymn sheet again this year. For reasons we can only guess at, Kalon chooses a different song title to accompany its results presentations each time. Last year it was "More than I can Say". This time it was "Somewhere over the Rainbow". This was selected to reflect the possibilities of the merger with Euridip, the French group.

Nigel Cope

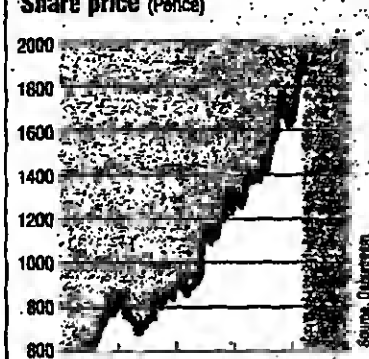
Zeneca: At a glance

	1992	1993	1994	1995	1996
Five year record					
Turnover (£bn)	2.38	4.44	4.49	4.40	4.98
Pre-tax profits (£m)	102	633	659	619	975
Earnings per share (pence)	10.5	50.7	48.8	46.9	51.4
Dividends per share (pence)	27.5	28.5	31.0	35.0	

Sales by therapeutic area (pct, 1996)



Share price (pence)



BBA returns to growth and hits the acquisition trail

Clifford German

BBA, the acquisitive engineer, yesterday confirmed its return to growth after two years of reorganisation. Roberto Quartucci, chief executive, reported a 19 per cent leap in pre-tax profits to £141m last year and plans for a joint project to manufacture friction materials near Peking and a £4m acquisition in Italy, making hi-tech absorbent materials. But profits fell £3m short of market forecasts and the shares tumbled 17p to 350p.

Turnover at the continuing businesses rose 10 per cent to £1.08bn while operating profits

rose 26 per cent to £146m. Earnings per share were up a quarter to 20.6p and the dividend rose from 6p to 7p.

After allowing for exceptional charges of £52m in 1995, pre-tax profits more than doubled to £142m. The acquisition of the remaining 32 per cent stake in Signature Flight Support in August, and Corovin, a non-woven textile business in Germany, cost £97m. An agreement to buy International Air-motive in Dallas for £176m was signed in December.

Corovin will give the group access to new technology which can be adapted throughout the group's non-woven hygiene

business and provide access to new markets in Thailand, Saudi Arabia and South Africa. Duralley, the carpet underlay manufacturer, was sold for £34m.

Turnover was equally split between the transportation and industrial divisions, but profits were split 40:60. The friction materials division overcame weak sales in Germany in the first half of the year and a downturn in the commercial vehicle market in Europe and Scandinavia in particular. The UK market was buoyant and BBA won new orders from Nissan and Rover.

In the US, BBA Friction won new orders from Ford and

Chrysler and capacity at the Virginia plant is being doubled to meet increased demand. Signature won new ground handling and baggage contracts and the acquisition of International Air-motive adds engine overhaul and parts distribution facilities.

The US market generated 56 per cent of turnover and 51 per cent of profit. Capital spending edged up to £46m, but cash-flow was strong, net borrowing was halved to £16m and gearing fell from 7 to 4 per cent.

Management has been exploiting synergies between the new and old businesses and developing new markets.

BSE and strong pound hinder Harrison's

Tom Stevenson

Shares in Harrison's & Crofield fell 9p yesterday to 131.5p after the chemicals, food and timber group painted a gloomy picture of current trading and claimed to be a victim of both BSE in its food and agriculture arms and the strong pound in specialty chemicals.

Operating profits from continuing businesses nudged ahead from £98.1m to £99.7m, while at the pre-tax line, which included

a final contribution from the now sold plantation business, profits rose by a similar margin to £120.8m (£119.6m). Adjusted earnings per share were 11.1p (11p), while the dividend was maintained at 9p.

Bill Turcan, chief executive, put a brave face on the figures, saying: "Our chemical businesses had another good year and timber and building supplies recovered well in the second half. We completed our withdrawal from plantations and the group is well placed to take advantage

of opportunities for growth in its continuing businesses."

Analysts were less sanguine, however, with forecasts for the current year being pared yesterday to about £117m. One said: "The comment on the food side is what has unsettled people. The implication is that 1997 estimates are looking too topsy."

Chemicals, where Harrison's specialises in chrome and pigments, saw profits rise 12 per cent to £55.9m, at which level they have doubled in five years, with an increase in return on

sales from 5.4 per cent to 9.4 per cent over that period.

The timber division, which takes in the Harrocco builders' merchants, saw profits tumble from £21.9m to £15.3m. All the damage was caused in the first half, and Mr Turcan said Harrison was now seeing the benefit of actions to reduce its cost base and sharpen its trading focus.

Food and agriculture, where operating profits increased from £31.6m to £33.5m, suffered from the effects of BSE, which reduced demand for cattle feed.

Company Results

	Turnover £	Pre-tax £	EPS	Dividend
BBA Group (F)	1,080 (1,190)	141.1 (119.6)	20.6 (16.6)	4.9 (4.2)
Rochem (F)	3,020 (3,414)	1,240 (1,351)	4.02 (4.02)	—
BW Holdings (F)	73.5 (66.9)	1.5 (1.5)	22.9 (19.5)	1.5 (1.2)
Corovin (F)	221.7 (238.9)	35.4 (38.3)	18.9 (19.1)	1.5 (1.6)
Corovin (F)	1,130 (1,121)	81.2 (85.8)	35.2 (35.3)	12.4 (10.4)
Corovin Property (F)	36.7 (41.4)	1.7 (1.7)	8.9 (8.7)	4.1 (3.9)
Edinburgh Food Mfg (F)	31.1 (31.1)	12.6 (12.6)	26.1 (26.1)	2.5 (2.5)
Exponent (F)	119.7 (143.7)	16.1 (21.3)	19.8 (22.9)	1.2 (1.2)
Forward Technology (F)	57.8 (58.7)	41.8 (41.8)	1.8 (1.8)	1.2 (1.2)
Harrison & Crofield (F)	2,150 (2,050)	120.8 (119.6)	11.2 (10.6)	9 (9)
Headway (F)	10.3 (10.3)	63.0 (63.0)	2.2 (2.2)	0.3 (0.3)
Independent Laser Bp (F)	—	5.0 (5.0)	80.2 (83.6)	13.2 (11.2)
Kalon Group (F)	54.8 (57.4)	18.2 (18.2)	3.1 (3.1)	5.2 (5.2)
Norfolk Midland Coast (F)	33.6 (36.4)	1.3 (1.3)	9.7 (9.7)	3.0 (3.0)
Te-Lan (F)	211.5 (211.5)	48.5 (48.5)	2.8 (2.8)	—
Te-Lan (F)	22.1 (22.1)	1.2 (1.2)	4.2 (4.2)	0.7 (0.7)
Te-Lan Group (F)	88.8 (75.9)	26.5 (22.2)	5.1 (4.2)	3.5 (3.3)
Te-Lan (F)	182.1 (143.9)	12.5 (12.5)	6.9 (6.9)	3.4 (3.4)
Te-Lan (F)	13.9 (13.9)	1.1 (1.1)	2.9 (2.9)	—
Te-Lan (F)	73.8 (73.8)	2.2 (2.2)	7.4 (7.4)	3.9 (3.9)
Te-Lan (F)	123.2 (123.2)	16.4 (16.4)	8.2 (8.2)	1.2 (1.2)
Te-Lan (F)	45 (45)	3.8 (3.8)	11.3 (11.3)	1.5 (1.5)
Te-Lan (F)	4.6 (4.6)	1.0 (1.0)	4.1 (4.1)	—
Te-Lan (F)	65.4 (65.4)	9.8 (9.8)	9.5 (9.5)	1.8 (1.8)
Te-Lan (F)	20.7 (20.7)	1.1 (1.1)	1.1 (1.1)	—
Te-Lan (F)	2.7 (2.7)	0.1 (0.1)	0.1 (0.1)	—
Te-Lan (F)	31.8 (31.8)	3.1 (3.1)	5.4 (5.4)	2.2 (2.2)
Te-Lan (F)	27.0 (27.0)	30.2 (30.2)	30.7 (30.7)	1.9 (1.9)
Te-Lan (F)	5.2 (5.2)	0.7 (0.7)	0.7 (0.7)	—
Te-Lan (F)	—	—	—	—

Swimwear sales boost Pentland

Tom Stevenson

Three-quarters of last year's Olympic swimming medals were won in Speedo costumes, while three out of the four goalkeepers playing in the semi-finals of Euro 96 wore Reusch gloves, according to Pentland, which owns both brands. They contributed to a big jump in profits at the sports and leisure group, which also boasts Ellesse, Mitre and Berghaus among its stable of brands.

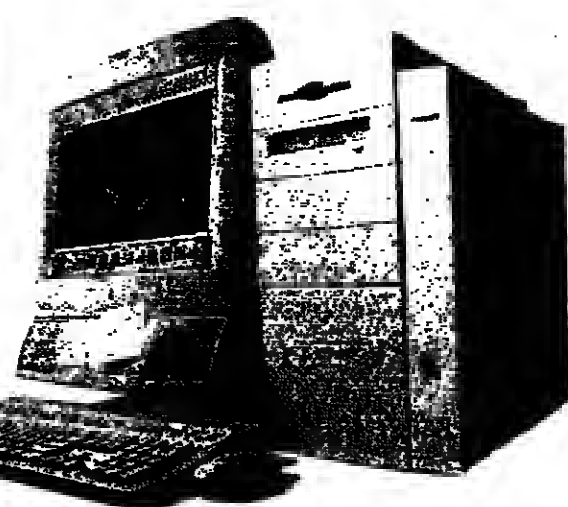
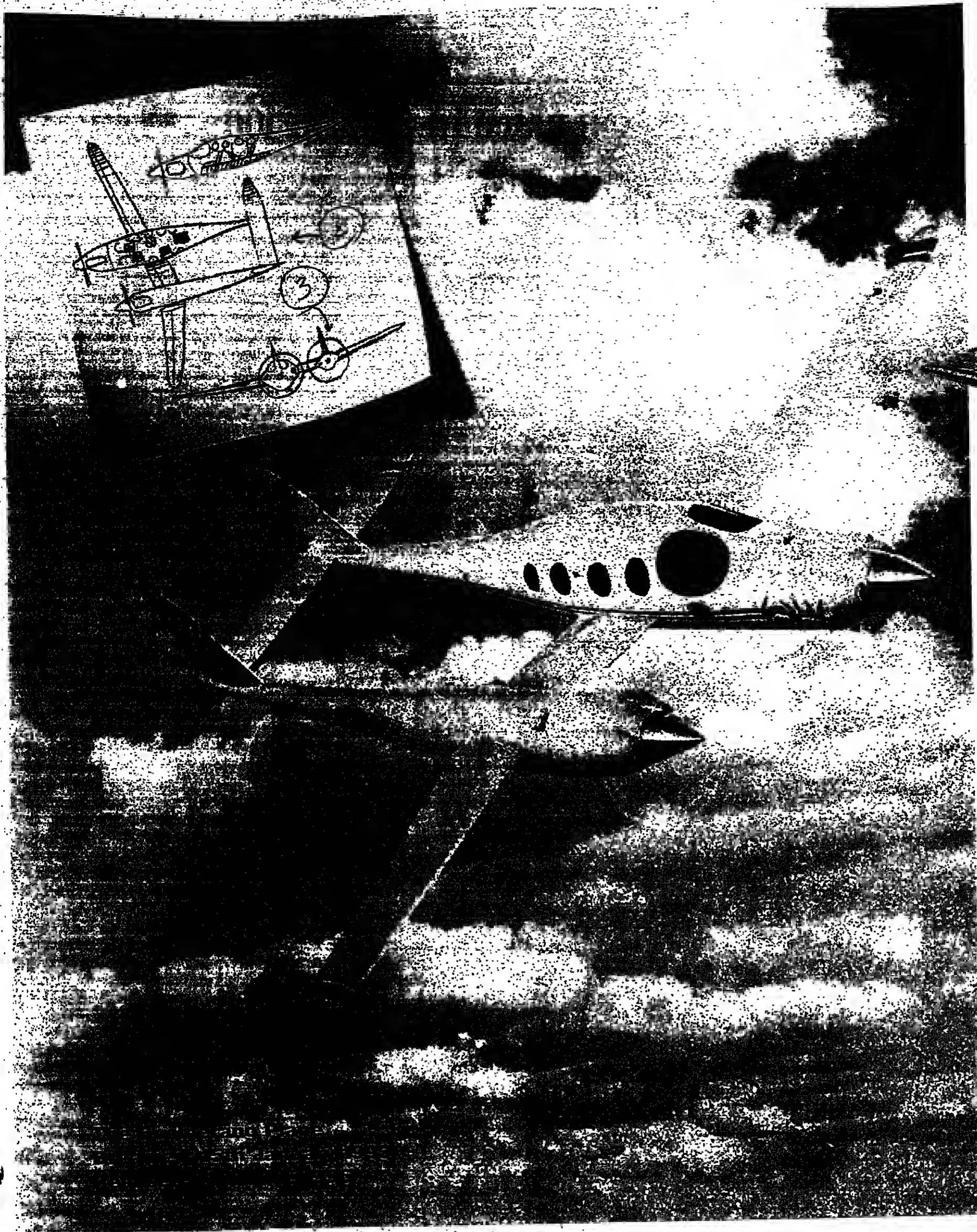
Pentland's reported profits were devastated by a one-off £40.4m charge relating to the disposal of its US consumer goods subsidiary Woods Industries, but before exceptional items profits in the year to December rose 28 per cent to £36m (£28.1m). The dividend rose 6 per cent to 3.5p.

The company also announced it had recruited Nicholas Webster from William

Baird to become finance director, succeeding Frank Farnham who indicated his intention to leave last year. Meanwhile, Tim Score, group financial controller at LucasVarity, will become finance director at William Baird.

Stephen Rubin, chairman, said the strong profits performance vindicated the company's decision, following a strategic review, to focus on its core sports, leisure and fashion markets. He said: "This is the activity on which we shall build Pentland's future prosperity." Pentland's shares closed 3p higher at 108p. Sales at Speedo were boosted by the launch in March 1996 of Aquablade, a material Pentland described as "the fastest fabric through the water ever developed". The company said three of the four new world records at last summer's Olympics were achieved by swimmers wearing Aquablade.

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Sure thing

Austin Healey is full of confidence about his England call-up, page 25

SPORT**Higher authority**

The priest in charge of today's rugby league Varsity match, page 24

United dream a nightmare for Hoddle

Football

PETE WHITFIELD

The perennial club v country dispute will make an unwelcome re-appearance if Manchester United come within sight of their European dream. This season's European Cup final is due to be played on 28 May - three days before England face Poland in Chorzow in a crucial World Cup qualifying game.

The United manager, Alex Ferguson, will be unwilling to do without and Philip and Gary Neville and David Beck-

ham, but the England coach, Glenn Hoddle, will almost certainly name at least the latter two in his international squad and would ideally want them in the England camp for the week preceding the Poland match.

The Football Association said yesterday that the matter will be discussed nearer the time but one thing is certain: the date of the Poland-England match cannot be changed.

"It's a question for the two managers to decide on further down the line," a spokeswoman said. "We're not really able to comment on it at present as it's not yet a reality. It could be

discussed before the [European Cup] semi-final."

There was better news for United when the club learned that Peter Schmeichel will not face racism charges arising from his November confrontation with Arsenal's Ian Wright.

The FA chief executive, Graham Kelly, has sent identical open letters to both players in which he implores them to make a public statement of reconciliation, on the day Schmeichel learned he would not face a criminal charge for alleged racist remarks.

Kelly strongly implies that, if the Arsenal striker and the

Manchester United goalkeeper agree, they can avoid FA disciplinary action too.

In his letter to Schmeichel, Kelly writes: "I have to decide what is best for English football. I have to be aware that both you and Ian Wright are public figures, idolised by millions of football fans at home and abroad. Your example is vitally important."

"That is why I ask you, in the interests of the game as a whole, to make a public statement of reconciliation with Ian Wright as soon as possible. In doing so, you can be a power for bringing the game together, not dividing it."

"In current circumstances, a drawn-out disciplinary procedure with uncertain results would not be helpful. I want to avoid it unless you and Ian Wright leave me no alternative. I believe I understand your strong feelings about what has happened. But English football is bigger and more important than both of you, and me."

"The example you set by putting the past behind you in a public way can only be beneficial. You are well aware of the issues involved. Please recognise your responsibilities and respond urgently to my request."

Television pictures appeared

to show Schmeichel mouthing insults at Wright during the 16 November fixture between the sides at Old Trafford, won 1-0 by United. However, the Dane denied making any racial remarks and the Crown Prosecution Service yesterday decided not to take any further action against him.

The two men found themselves in conflict again last month, when United beat Arsenal 2-1 at Highbury. They had to be restrained at the end of that game, during which Wright made a controversial challenge on the United goalkeeper as they went for the ball.

Manchester United's solicitor, Maurice Watkins, said Schmeichel was delighted that no action would be taken.

He said: "Peter has been told the Crown Prosecution Service won't be pressing charges. He always believed this would be the outcome but he is just pleased to have it confirmed. Peter is not a racist and never will be."

Ferguson is assessing Gadi Bromer, the Israeli international on trial at this week. The 22m-rated Maccabi Tel Aviv defender, a United fan of long standing, has forsaken winning another cap for Israel this

week in an effort to impress Ferguson. In spending the week with the double winners, Bromer misses his country's friendly international with Sweden.

The 23-year-old Bromer has set his heart on a permanent move to United. He said: "I don't know whether I am good enough to be a part of Manchester United but my target is to become a United player. I don't think I am going to have any problems either physically or technically. It's all new to me but generally I don't see any problems."

More football, page 27

Proud day for Pipe the champion

Racing

RICHARD EDMONDSON

The run began at Stratford-on-Avon and ended gloriously at National Hunt racing's greatest theatre yesterday. Make A Stand led all the way in the Champion Hurdle to reward the partnership of Tony McCoy, the champion jockey, and Martin Pipe, the champion trainer. Cheltenham had been the stage for a winners' tale.

Make A Stand's season had begun innocuously enough in Warwickshire in October, but a clue to his future success came in the manner of victory. He ran so purposefully from the front that it was easy to imagine the abattoir wagon behind him. Further handicap wins were gathered in similar manner, but when the gelding arrived for combat yesterday there were plenty willing to venture that neither Cheltenham nor the Champion Hurdle was suitable for front-runners.

An additional caveat was that Make A Stand was still a novice who had never before attempted an assignment as stiff as this. They said similar things about Sherpa Tenzing when he set out with his packed lunch one day.

The diminutive chestnut with a white-splashed face looked like the regimental mascot in the parade ring among his more brutish opponents. Elsewhere, Collier Bay, the champion, was nodding along like a chicken at the trot, while Large

Action circled with a catwalk sway, his head lowered as if searching for change. The two seasoned and fancied horses were soon picking up the pieces.

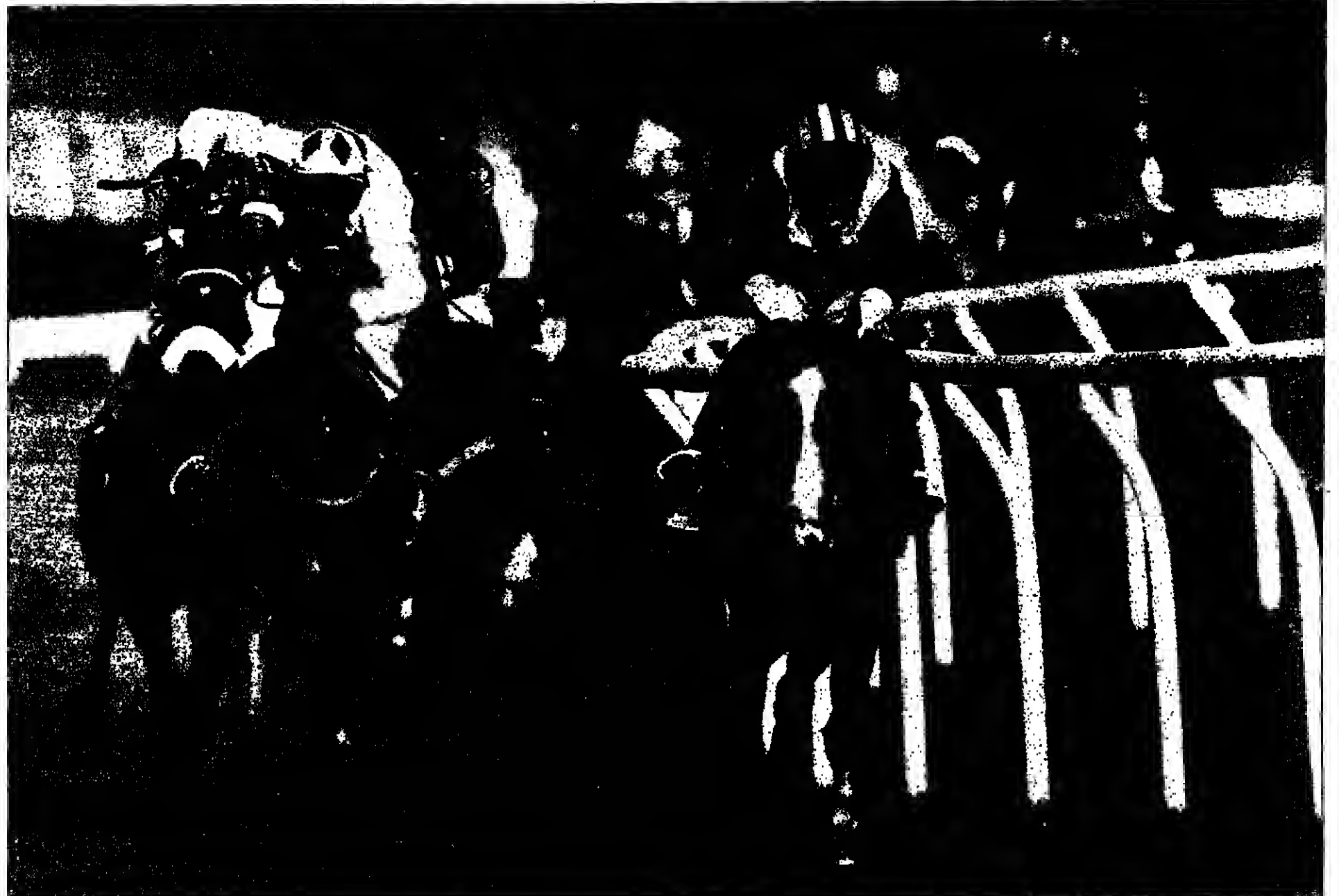
Large Action was the first to go, pulled up after two flights when Jamie Osborne detected there was a defect in the chassis beneath him. Collier Bay resisted going firmer than he prefers and was brought to a halt by Graham Bradley after three out.

By that time Make A Stand had been skipping away in front for some time, with all the concern of a member of Bo Peep's flock. At the top of the hill, McCoy gave his conveyance time to fill the lungs and then started his dash for home in earnest.

It was hard to believe this was the same horse who had been gelded as a three-year-old because he had become so much. Connections - and the gelding had lost his most precious ones - were surprised that their charge took some time to recover, but others may be of the opinion that lopping off of the testicles is a manoeuvre that might smart a little bit.

Fifty yards from home McCoy leant back to administer a stroke of the whip but swiftly realised it would not be needed. The sticks were up behind him as if the Bengal Lancers were in pursuit.

The Irishman turned his movement into a flourish of jubilation and surged forward for a five-length success, break-



Tony McCoy (striped cap) steers Make A Stand to the last and victory in the Champion Hurdle at the Cheltenham Festival yesterday

Photograph: David Ashdown

ing the course record for two miles and 110 yards over hurdles - which Shadow Leader had set just 75 minutes earlier - by 1.1 seconds.

Behind were the Irish pairing of Theatreworld and Space Trucker, and the rider of the

runner-up later reported on the task the pack had been facing. Norman Williamson said: "He [Make A Stand] is a true champion. He just annihilates you with his speed."

"You always hope he'll stop. Even today, after the last, I

thought he might, and you can get within six lengths of him, but the effort ends your chance. Whether you take him on early or late it's the same problem, he cooks you."

McCoy's debriefing suggested he had been almost incl-

dental to the partnership. He said: "It's the greatest feeling when a horse makes all the running like that. He measures every hurdle up himself. You just have to give him a little bit of rein and go down and squeeze him. At the last flight

down the back he came up so far out he almost left me behind."

The little horse was led in by the little man, and Martin Pipe seemed to forget for a moment that he is in possession of a limp. The trainer, who also won with

Or Royal, described it as "a great day" and only the iron hearts could begrudge him it as he had lost two horses on the corresponding card 12 months previously.

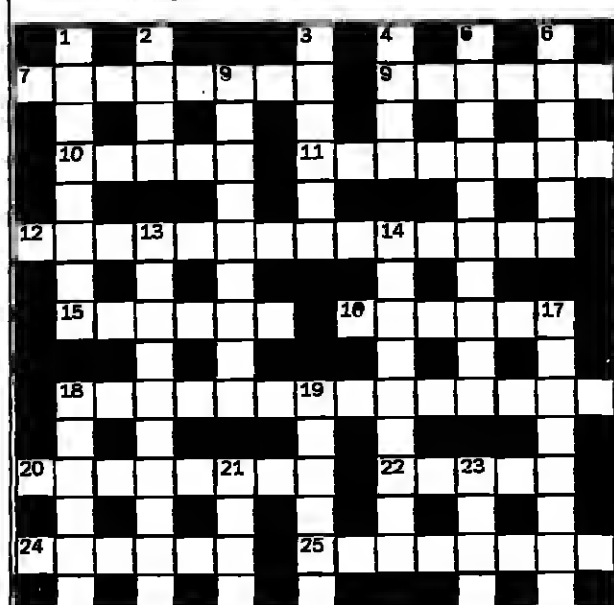
Today's Cheltenham card, page 26

THE INDEPENDENT CROSSWORD

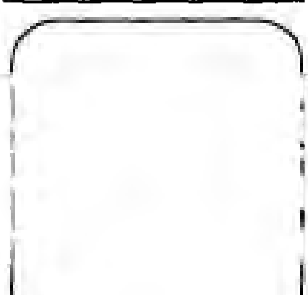
No. 3244, Wednesday 12 March

By Aquila

Tuesday's Solution



- ACROSS**
- Accomplished trainer, say, that might hold Oxford? (8)
 - Little fellow with paper-round is chilled (6)
 - State of true majesty (5)
 - Contemptuous of being broke (but not very) (8)
 - Bigot stumped in - wrecked humble flat (10,4)
 - Reduce tax of foreign trade exports, to begin with (6)
 - Viscount, with first house, making changes (6)
 - Got into the fit-parade and suffer much criticism? (13,3,8)
 - Ready money, just far goat's wool? (8)
 - Shy attempt (5)
 - Loud orchestra-founder, retired, is an Egyptian peasant (9)
 - Unyielding drive with club (4-4)
- DOWN**
- Stuff completed by Foster, say? (8)
 - Ariadne's opening number (4)
 - For example, reversing small car like a rocket (6)
 - Points about small feet of old news (4)
 - Chicken in the basket? Not he! (10)
 - Goldfinger, perhaps, upsetting Money Penny (6)
 - Border decoration giving pain after slight cough (3-6)
 - Keep tight grip (10)
 - Have they finished with wild rag dates, around university (9)
 - Hood's Retreat from novelist not using the first person? (8)
 - Interpreter, last to be advised of Jane Eyre's marriage (6)
 - Reportedly, the fat of the land (6)



- Response from the chorus (4)
- Track of a wader (4)

Celebrations cut short at Finnegan's wake

Matt Tench
watches a veteran bookie ply his trade at the track

It's a quarter to eleven on a dazzling spring day and Ken Mercer is pitching his stall in front of Tattersalls. Ken is from Manchester, and concentrates his bookmaking on the northern courses, but he has not missed a Cheltenham Festival since 1952 and is not about to start now.

"For me it's the biggest thing in racing," he says. "Bigger than Ascot. At Ascot you get the toffs. The scene here is for everybody."

Not that Ken looks very happy. Like those around him, he wears an expression of studied consternation, and if this is the best day of the racing year, nobody is letting on. What is he worried about?

"Favourite," he replies with venom. Two and a half hours later Ken is working his territory. At 72, he cuts a wiry figure, not given to the excited gestures that characterise the younger of his breed. The impression of a venerable bird on his perch is confirmed when he calls out "Eee-de-wan-de-veill," a cry that would mystify David Attenborough (on the fifth rendition it becomes just decipherable as "3-1 the field").

Behind him, Ken's four-man team are busy as the money pours in on the first race. Out front Ken is taking a lot of punts on Shadow Leader, but over the phone, where the bets come from the rails and the ring, the big money is mounting on the favourite. Finnegan's thing in racing. The scene here is for everybody. Photograph: David Ashdown



big screen Ken provides an intermittent commentary. "It's cruising, the favourite," he mutters grimly. "It's cantering." "Oh shit," sighs Peter.

Then, three fences from home: "Gone. It's on the floor. The favourite's on the floor," Ken cries delightedly.

The joy is short-lived, though. The demise of Finnegan's Hollow allows Shadow Leader to win, the only other horse on which Ken would have lost money. The first race, and several thousand down. Welcome to Cheltenham.

Ken gets off his perch and lights a cigarette. A queue of punters eight deep gathers to collect their winnings. There is no respite either, with the next race featuring Mulligan, the biggest favourite of the day.

This time the gamblers in person and those on the phone agree. Mulligan is a certainty. As the horses set off the atmosphere is palpably tense. If Mulligan wins they are in trouble. When Mulligan falls Ken is silent, but there is a glint in his eye as he looks quickly around and clenches his fist involuntarily.

When Or Royal wins Ken allows a minute smile to pass across his face before it resumes its normal demeanour of resigned persecution. The banker has gone the way of Barings and suddenly the afternoon feels a little better. Perhaps it won't be such a bad Cheltenham after all.

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